

AN ACT concerning finance.

Be it enacted by the People of the State of Illinois,
represented in the General Assembly:

ARTICLE 801

GENERAL PROVISIONS

Section 801-1. Short Title. Articles 80 through 845 of this Act may be cited as the Illinois Finance Authority Act. References to "this Act" in Articles 801 through 845 are references to the Illinois Finance Authority Act.

Section 801-5. Findings and declaration of policy. The General Assembly hereby finds, determines and declares:

(a) that there are a number of existing State authorities authorized to issue bonds to alleviate the conditions and promote the objectives set forth below; and to provide a stronger, better coordinated development effort, it is determined to be in the interest of promoting the health, safety, morals and general welfare of all the people of the State to consolidate certain of such existing authorities into one finance authority;

(b) that involuntary unemployment affects the health, safety, morals and general welfare of the people of the State of Illinois;

(c) that the economic burdens resulting from involuntary unemployment fall in part upon the State in the form of public assistance and reduced tax revenues, and in the event the unemployed worker and his family migrate elsewhere to find work, may also fall upon the municipalities and other taxing districts within the areas of unemployment in the form of reduced tax revenues, thereby endangering their financial ability to support necessary governmental services for their

remaining inhabitants;

(d) that a vigorous growing economy is the basic source of job opportunities;

(e) that protection against involuntary unemployment, its economic burdens and the spread of economic stagnation can best be provided by promoting, attracting, stimulating and revitalizing industry, manufacturing and commerce in the State;

(f) that the State has a responsibility to help create a favorable climate for new and improved job opportunities for its citizens by encouraging the development of commercial businesses and industrial and manufacturing plants within the State;

(g) that increased availability of funds for construction of new facilities and the expansion and improvement of existing facilities for industrial, commercial and manufacturing facilities will provide for new and continued employment in the construction industry and alleviate the burden of unemployment;

(h) that in the absence of direct governmental subsidies the unaided operations of private enterprise do not provide sufficient resources for residential construction, rehabilitation, rental or purchase, and that support from housing related commercial facilities is one means of stimulating residential construction, rehabilitation, rental and purchase;

(i) that it is in the public interest and the policy of this State to foster and promote by all reasonable means the provision of adequate capital markets and facilities for borrowing money by units of local government, and for the financing of their respective public improvements and other governmental purposes within the State from proceeds of bonds or notes issued by those governmental units; and to assist local governmental units in fulfilling their needs for those

purposes by use of creation of indebtedness;

(j) that it is in the public interest and the policy of this State to the extent possible, to reduce the costs of indebtedness to taxpayers and residents of this State and to encourage continued investor interest in the purchase of bonds or notes of governmental units as sound and preferred securities for investment; and to encourage governmental units to continue their independent undertakings of public improvements and other governmental purposes and the financing thereof, and to assist them in those activities by making funds available at reduced interest costs for orderly financing of those purposes, especially during periods of restricted credit or money supply, and particularly for those governmental units not otherwise able to borrow for those purposes;

(k) that in this State the following conditions exist:

(i) an inadequate supply of funds at interest rates sufficiently low to enable persons engaged in agriculture in this State to pursue agricultural operations at present levels; (ii) that such inability to pursue agricultural operations lessens the supply of agricultural commodities available to fulfill the needs of the citizens of this State; (iii) that such inability to continue operations decreases available employment in the agricultural sector of the State and results in unemployment and its attendant problems; (iv) that such conditions prevent the acquisition of an adequate capital stock of farm equipment and machinery, much of which is manufactured in this State, therefore impairing the productivity of agricultural land and, further, causing unemployment or lack of appropriate increase in employment in such manufacturing; (v) that such conditions are conducive to consolidation of acreage of agricultural land with fewer individuals living and farming on the traditional family farm; (vi) that these conditions result in a loss in

population, unemployment and movement of persons from rural to urban areas accompanied by added costs to communities for creation of new public facilities and services; (vii) that there have been recurrent shortages of funds for agricultural purposes from private market sources at reasonable rates of interest; (viii) that these shortages have made the sale and purchase of agricultural land to family farmers a virtual impossibility in many parts of the State; (ix) that the ordinary operations of private enterprise have not in the past corrected these conditions; and (x) that a stable supply of adequate funds for agricultural financing is required to encourage family farmers in an orderly and sustained manner and to reduce the problems described above;

(l) that for the benefit of the people of the State of Illinois, the conduct and increase of their commerce, the protection and enhancement of their welfare, the development of continued prosperity and the improvement of their health and living conditions it is essential that all the people of the State be given the fullest opportunity to learn and to develop their intellectual and mental capacities and skills; that to achieve these ends it is of the utmost importance that private institutions of higher education within the State be provided with appropriate additional means to assist the people of the State in achieving the required levels of learning and development of their intellectual and mental capacities and skills and that cultural institutions within the State be provided with appropriate additional means to expand the services and resources which they offer for the cultural, intellectual, scientific, educational and artistic enrichment of the people of the State;

(m) that in order to foster civic and neighborhood pride, citizens require access to facilities such as educational institutions, recreation, parks and open spaces, entertainment and sports, a reliable transportation network,

cultural facilities and theaters and other facilities as authorized by this Act, and that it is in the best interests of the State to lower the costs of all such facilities by providing financing through the State; and

(n) that to preserve and protect the health of the citizens of the State, and lower the costs of health care, that financing for health facilities should be provided through the State; and it is hereby declared to be the policy of the State, in the interest of promoting the health, safety, morals and general welfare of all the people of the State, to address the conditions noted above, to increase job opportunities and to retain existing jobs in the State, by making available through the Illinois Finance Authority, hereinafter created, funds for the development, improvement and creation of industrial, housing, local government, educational, health, public purpose and other projects; to issue its bonds and notes to make funds at reduced rates and on more favorable terms for borrowing by local governmental units through the purchase of the bonds or notes of the governmental units; and to make or acquire loans for the acquisition and development of agricultural facilities; to provide financing for private institutions of higher education, cultural institutions, health facilities and other facilities and projects as authorized by this Act; and to grant broad powers to the Illinois Finance Authority to accomplish and to carry out these policies of the State which are in the public interest of the State and of its taxpayers and residents.

Section 801-10. Definitions. The following terms, whenever used or referred to in this Act, shall have the following meanings, except in such instances where the context may clearly indicate otherwise:

(a) The term "Authority" means the Illinois Finance

Authority created by this Act.

(b) The term "project" means an industrial project, housing project, public purpose project, higher education project, health facility project, cultural institution project, agricultural facility or agribusiness, and "project" may include any combination of one or more of the foregoing undertaken jointly by any person with one or more other persons, but "project" shall not include any facility used or to be used for sectarian instruction or as a place of religious worship nor any facility which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination or the training of ministers, priests, rabbis or other professional persons in the field of religion.

(c) The term "public purpose project" means any project or facility including without limitation land, buildings, structures, machinery, equipment and all other real and personal property, which is authorized or required by law to be acquired, constructed, improved, rehabilitated, reconstructed, replaced or maintained by any unit of government or any other lawful public purpose which is authorized or required by law to be undertaken by any unit of government.

(d) The term "industrial project" means the acquisition, construction, refurbishment, creation, development or redevelopment of any facility, equipment, machinery, real property or personal property for use by any instrumentality of the State or its political subdivisions, for use by any person or institution, public or private, for profit or not for profit, or for use in any trade or business including, but not limited to, any industrial, manufacturing or commercial enterprise and which is (1) a capital project including but not limited to: (i) land and any rights therein, one or more buildings, structures or other

improvements, machinery and equipment, whether now existing or hereafter acquired, and whether or not located on the same site or sites; (ii) all appurtenances and facilities incidental to the foregoing, including, but not limited to utilities, access roads, railroad sidings, track, docking and similar facilities, parking facilities, dockage, wharfage, railroad roadbed, track, trestle, depot, terminal, switching and signaling or related equipment, site preparation and landscaping; and (iii) all non-capital costs and expenses relating thereto or (2) any addition to, renovation, rehabilitation or improvement of a capital project or (3) any activity or undertaking which the Authority determines will aid, assist or encourage economic growth, development or redevelopment within the State or any area thereof, will promote the expansion, retention or diversification of employment opportunities within the State or any area thereof or will aid in stabilizing or developing any industry or economic sector of the State economy. The term "industrial project" also means the production of motion pictures.

(e) The term "bond" or "bonds" shall include bonds, notes (including bond, grant or revenue anticipation notes), certificates and/or other evidences of indebtedness representing an obligation to pay money, including refunding bonds.

(f) The terms "lease agreement" and "loan agreement" shall mean: (i) an agreement whereby a project acquired by the Authority by purchase, gift or lease is leased to any person, corporation or unit of local government which will use or cause the project to be used as a project as heretofore defined upon terms providing for lease rental payments at least sufficient to pay when due all principal of, interest and premium, if any, on any bonds of the Authority issued with respect to such project, providing for the maintenance, insuring and operation of the project on

terms satisfactory to the Authority, providing for disposition of the project upon termination of the lease term, including purchase options or abandonment of the premises, and such other terms as may be deemed desirable by the Authority, or (ii) any agreement pursuant to which the Authority agrees to loan the proceeds of its bonds issued with respect to a project or other funds of the Authority to any person which will use or cause the project to be used as a project as heretofore defined upon terms providing for loan repayment installments at least sufficient to pay when due all principal of, interest and premium, if any, on any bonds of the Authority, if any, issued with respect to the project, and providing for maintenance, insurance and other matters as may be deemed desirable by the Authority.

(g) The term "financial aid" means the expenditure of Authority funds or funds provided by the Authority through the issuance of its bonds, notes or other evidences of indebtedness or from other sources for the development, construction, acquisition or improvement of a project.

(h) The term "person" means an individual, corporation, unit of government, business trust, estate, trust, partnership or association, 2 or more persons having a joint or common interest, or any other legal entity.

(i) The term "unit of government" means the federal government, the State or unit of local government, a school district, or any agency or instrumentality, office, officer, department, division, bureau, commission, college or university thereof.

(j) The term "health facility" means: (a) any public or private institution, place, building, or agency required to be licensed under the Hospital Licensing Act; (b) any public or private institution, place, building, or agency required to be licensed under the Nursing Home Care Act; (c) any public or licensed private hospital as defined in the Mental

Health and Developmental Disabilities Code; (d) any such facility exempted from such licensure when the Director of Public Health attests that such exempted facility meets the statutory definition of a facility subject to licensure; (e) any other public or private health service institution, place, building, or agency which the Director of Public Health attests is subject to certification by the Secretary, U.S. Department of Health and Human Services under the Social Security Act, as now or hereafter amended, or which the Director of Public Health attests is subject to standard-setting by a recognized public or voluntary accrediting or standard-setting agency; (f) any public or private institution, place, building or agency engaged in providing one or more supporting services to a health facility; (g) any public or private institution, place, building or agency engaged in providing training in the healing arts, including but not limited to schools of medicine, dentistry, osteopathy, optometry, podiatry, pharmacy or nursing, schools for the training of x-ray, laboratory or other health care technicians and schools for the training of para-professionals in the health care field; (h) any public or private congregate, life or extended care or elderly housing facility or any public or private home for the aged or infirm, including, without limitation, any Facility as defined in the Life Care Facilities Act; (i) any public or private mental, emotional or physical rehabilitation facility or any public or private educational, counseling, or rehabilitation facility or home, for those persons with a developmental disability, those who are physically ill or disabled, the emotionally disturbed, those persons with a mental illness or persons with learning or similar disabilities or problems; (j) any public or private alcohol, drug or substance abuse diagnosis, counseling treatment or rehabilitation facility, (k) any public or

private institution, place, building or agency licensed by the Department of Children and Family Services or which is not so licensed but which the Director of Children and Family Services attests provides child care, child welfare or other services of the type provided by facilities subject to such licensure; (l) any public or private adoption agency or facility; and (m) any public or private blood bank or blood center. "Health facility" also means a public or private structure or structures suitable primarily for use as a laboratory, laundry, nurses or interns residence or other housing or hotel facility used in whole or in part for staff, employees or students and their families, patients or relatives of patients admitted for treatment or care in a health facility, or persons conducting business with a health facility, physician's facility, surgicenter, administration building, research facility, maintenance, storage or utility facility and all structures or facilities related to any of the foregoing or required or useful for the operation of a health facility, including parking or other facilities or other supporting service structures required or useful for the orderly conduct of such health facility.

(k) The term "participating health institution" means a private corporation or association or public entity of this State, authorized by the laws of this State to provide or operate a health facility as defined in this Act and which, pursuant to the provisions of this Act, undertakes the financing, construction or acquisition of a project or undertakes the refunding or refinancing of obligations, loans, indebtedness or advances as provided in this Act.

(l) The term "health facility project", means a specific health facility work or improvement to be financed or refinanced (including without limitation through reimbursement of prior expenditures), acquired, constructed, enlarged, remodeled, renovated, improved, furnished, or

equipped, with funds provided in whole or in part hereunder, any accounts receivable, working capital, liability or insurance cost or operating expense financing or refinancing program of a health facility with or involving funds provided in whole or in part hereunder, or any combination thereof.

(m) The term "bond resolution" means the resolution or resolutions authorizing the issuance of, or providing terms and conditions related to, bonds issued under this Act and includes, where appropriate, any trust agreement, trust indenture, indenture of mortgage or deed of trust providing terms and conditions for such bonds.

(n) The term "property" means any real, personal or mixed property, whether tangible or intangible, or any interest therein, including, without limitation, any real estate, leasehold interests, appurtenances, buildings, easements, equipment, furnishings, furniture, improvements, machinery, rights of way, structures, accounts, contract rights or any interest therein.

(o) The term "revenues" means, with respect to any project, the rents, fees, charges, interest, principal repayments, collections and other income or profit derived therefrom.

(p) The term "higher education project" means, in the case of a private institution of higher education, an educational facility to be acquired, constructed, enlarged, remodeled, renovated, improved, furnished, or equipped, or any combination thereof.

(q) The term "cultural institution project" means, in the case of a cultural institution, a cultural facility to be acquired, constructed, enlarged, remodeled, renovated, improved, furnished, or equipped, or any combination thereof.

(r) The term "educational facility" means any property located within the State constructed or acquired before or after the effective date of this Act, which is or will be, in

whole or in part, suitable for the instruction, feeding, recreation or housing of students, the conducting of research or other work of a private institution of higher education, the use by a private institution of higher education in connection with any educational, research or related or incidental activities then being or to be conducted by it, or any combination of the foregoing, including, without limitation, any such property suitable for use as or in connection with any one or more of the following: an academic facility, administrative facility, agricultural facility, assembly hall, athletic facility, auditorium, boating facility, campus, communication facility, computer facility, continuing education facility, classroom, dining hall, dormitory, exhibition hall, fire fighting facility, fire prevention facility, food service and preparation facility, gymnasium, greenhouse, health care facility, hospital, housing, instructional facility, laboratory, library, maintenance facility, medical facility, museum, offices, parking area, physical education facility, recreational facility, research facility, stadium, storage facility, student union, study facility, theatre or utility. An educational facility shall not include any property used or to be used for sectarian instruction or study or as a place for devotional activities or religious worship nor any property which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination.

(s) The term "cultural facility" means any property located within the State constructed or acquired before or after the effective date of this Act, which is or will be, in whole or in part, suitable for the particular purposes or needs of a cultural institution, including, without limitation, any such property suitable for use as or in connection with any one or more of the following: an

administrative facility, aquarium, assembly hall, auditorium, botanical garden, exhibition hall, gallery, greenhouse, library, museum, scientific laboratory, theater or zoological facility, and shall also include, without limitation, books, works of art or music, animal, plant or aquatic life or other items for display, exhibition or performance. The term "cultural facility" includes buildings on the National Register of Historic Places which are owned or operated by nonprofit entities. A cultural facility shall not include any property used or to be used for sectarian instruction or study or as a place for devotional activities or religious worship nor any property which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination.

(t) "Private institution of higher education" means a not-for-profit educational institution which is not owned by the State or any political subdivision, agency, instrumentality, district or municipality thereof, which is authorized by law to provide a program of education beyond the high school level and which:

(1) Admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(2) Provides an educational program for which it awards a bachelor's degree, or provides an educational program, admission into which is conditioned upon the prior attainment of a bachelor's degree or its equivalent, for which it awards a postgraduate degree, or provides not less than a 2-year program which is acceptable for full credit toward such a degree, or offers a 2-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a

semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge;

(3) Is accredited by a nationally recognized accrediting agency or association or, if not so accredited, is an institution whose credits are accepted, on transfer, by not less than 3 institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited, and holds an unrevoked certificate of approval under the Private College Act from the Board of Higher Education, or is qualified as a "degree granting institution" under the Academic Degree Act; and

(4) Does not discriminate in the admission of students on the basis of race, color or creed. "Private institution of higher education" also includes any "academic institution".

(u) The term "academic institution" means any not-for-profit institution which is not owned by the State or any political subdivision, agency, instrumentality, district or municipality thereof, which institution engages in, or facilitates academic, scientific, educational or professional research or learning in a field or fields of study taught at a private institution of higher education. Academic institutions include, without limitation, libraries, archives, academic, scientific, educational or professional societies, institutions, associations or foundations having such purposes. Academic institution does not include any school or any institution primarily engaged in religious or sectarian activities.

(v) The term "cultural institution" means any not-for-profit institution which is not owned by the State or any political subdivision, agency, instrumentality, district

or municipality thereof, which institution engages in the cultural, intellectual, scientific, educational or artistic enrichment of the people of the State. Cultural institutions include, without limitation, aquaria, botanical societies, historical societies, libraries, museums, performing arts associations or societies, scientific societies and zoological societies. Cultural institution does not include any institution primarily engaged in religious or sectarian activities.

(w) The term "affiliate" means, with respect to financing of an agricultural facility or an agribusiness, any lender, any person, firm or corporation controlled by, or under common control with, such lender, and any person, firm or corporation controlling such lender.

(x) The term "agricultural facility" means land, any building or other improvement thereon or thereto, and any personal properties deemed necessary or suitable for use, whether or not now in existence, in farming, ranching, the production of agricultural commodities (including, without limitation, the products of aquaculture, hydroponics and silviculture) or the treating, processing or storing of such agricultural commodities when such activities are customarily engaged in by farmers as a part of farming.

(y) The term "lender" with respect to financing of an agricultural facility or an agribusiness, means any federal or State chartered bank, Federal Land Bank, Production Credit Association, Bank for Cooperatives, federal or State chartered savings and loan association or building and loan association, Small Business Investment Company or any other institution qualified within this State to originate and service loans, including, but without limitation to, insurance companies, credit unions and mortgage loan companies. "Lender" also means a wholly owned subsidiary of a manufacturer, seller or distributor of goods or services that

makes loans to businesses or individuals, commonly known as a "captive finance company".

(z) The term "agribusiness" means any sole proprietorship, limited partnership, co-partnership, joint venture, corporation or cooperative which operates or will operate a facility located within the State of Illinois that is related to the processing of agricultural commodities (including, without limitation, the products of aquaculture, hydroponics and silviculture) or the manufacturing, production or construction of agricultural buildings, structures, equipment, implements, and supplies, or any other facilities or processes used in agricultural production. Agribusiness includes but is not limited to the following:

(1) grain handling and processing, including grain storage, drying, treatment, conditioning, mailing and packaging;

(2) seed and feed grain development and processing;

(3) fruit and vegetable processing, including preparation, canning and packaging;

(4) processing of livestock and livestock products, dairy products, poultry and poultry products, fish or apiarian products, including slaughter, shearing, collecting, preparation, canning and packaging;

(5) fertilizer and agricultural chemical manufacturing, processing, application and supplying;

(6) farm machinery, equipment and implement manufacturing and supplying;

(7) manufacturing and supplying of agricultural commodity processing machinery and equipment, including machinery and equipment used in slaughter, treatment, handling, collecting, preparation, canning or packaging of agricultural commodities;

(8) farm building and farm structure manufacturing, construction and supplying;

(9) construction, manufacturing, implementation, supplying or servicing of irrigation, drainage and soil and water conservation devices or equipment;

(10) fuel processing and development facilities that produce fuel from agricultural commodities or byproducts;

(11) facilities and equipment for processing and packaging agricultural commodities specifically for export;

(12) facilities and equipment for forestry product processing and supplying, including sawmilling operations, wood chip operations, timber harvesting operations, and manufacturing of prefabricated buildings, paper, furniture or other goods from forestry products;

(13) facilities and equipment for research and development of products, processes and equipment for the production, processing, preparation or packaging of agricultural commodities and byproducts.

(aa) The term "asset" with respect to financing of any agricultural facility or any agribusiness, means, but is not limited to the following: cash crops or feed on hand; livestock held for sale; breeding stock; marketable bonds and securities; securities not readily marketable; accounts receivable; notes receivable; cash invested in growing crops; net cash value of life insurance; machinery and equipment; cars and trucks; farm and other real estate including life estates and personal residence; value of beneficial interests in trusts; government payments or grants; and any other assets.

(bb) The term "liability" with respect to financing of any agricultural facility or any agribusiness shall include, but not be limited to the following: accounts payable; notes or other indebtedness owed to any source; taxes; rent; amounts owed on real estate contracts or real estate mortgages; judgments; accrued interest payable; and any other

liability.

(cc) The term "Predecessor Authorities" means those authorities as described in Section 845-75.

(dd) The term "housing project" means a specific work or improvement undertaken to provide residential dwelling accommodations, including the acquisition, construction or rehabilitation of lands, buildings and community facilities and in connection therewith to provide nonhousing facilities which are part of the housing project, including land, buildings, improvements, equipment and all ancillary facilities for use for offices, stores, retirement homes, hotels, financial institutions, service, health care, education, recreation or research establishments, or any other commercial purpose which are or are to be related to a housing development.

Section 801-15. There is hereby created a body politic and corporate to be known as the Illinois Finance Authority. The exercise of the powers conferred by law shall be an essential public function. The Authority shall consist of 15 members, who shall be appointed by the Governor, with the advice and consent of the Senate. Upon the appointment of the Board and every 2 years thereafter, the chairperson of the Authority shall be selected by the Governor to serve as chairperson for two years. Appointments to the Authority shall be persons of recognized ability and experience in one or more of the following areas: economic development, finance, banking, industrial development, small business management, real estate development, housing, health facilities financing, local government financing, community development, venture finance, construction and labor relations. At the time of appointment, the Governor shall designate 5 members to serve until the third Monday in July 2005, 5 members to serve until the third Monday in July 2006

and 5 members to serve until the third Monday in July 2007. Thereafter, appointments shall be for 3-year terms. A member shall serve until his or her successor shall be appointed and have qualified for office by filing the oath and bond. Members of the Authority shall not be entitled to compensation for their services as members, but shall be entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members. The Governor may remove any member of the Authority in case of incompetence, neglect of duty, or malfeasance in office, after service on him of a copy of the written charges against him and an opportunity to be publicly heard in person or by counsel in his own defense upon not less than 10 days' notice. From nominations received from the Governor, the members of the Authority shall appoint an Executive Director who shall be a person knowledgeable in the areas of financial markets and instruments, to hold office for a one-year term. The Executive Director shall be the chief administrative and operational officer of the Authority and shall direct and supervise its administrative affairs and general management and perform such other duties as may be prescribed from time to time by the members and shall receive compensation fixed by the Authority. The Executive Director or any committee of the members may carry out such responsibilities of the members as the members by resolution may delegate. The Executive Director shall attend all meetings of the Authority; however, no action of the Authority shall be invalid on account of the absence of the Executive Director from a meeting. The Authority may engage the services of such other agents and employees, including attorneys, appraisers, engineers, accountants, credit analysts and other consultants, as it may deem advisable and may prescribe their duties and fix their compensation. The Authority may appoint Advisory Councils to (1) assist in the formulation of policy

goals and objectives, (2) assist in the coordination of the delivery of services, (3) assist in establishment of funding priorities for the various activities of the Authority, and (4) target the activities of the Authority to specific geographic regions. There may be an Advisory Council on Economic Development. The Advisory Council shall consist of no more than 12 members, who shall serve at the pleasure of the Authority. Members of the Advisory Council shall receive no compensation for their services, but may be reimbursed for expenses incurred with their service on the Advisory Council.

Section 801-25. All official acts of the Authority shall require the approval of at least 8 members. All meetings of the Authority and the Advisory Councils shall be conducted in accordance with the Open Meetings Act. All meetings shall be conducted at a single location within this State among members physically present at this location. The Auditor General shall conduct financial audits and program audits of the Authority, in accordance with the Illinois State Auditing Act.

Section 801-30. The Authority possesses all the powers as a body corporate necessary and convenient to accomplish the purposes of this Act, including, without any intended limitation upon the general powers hereby conferred, the following:

(a) to enter into loans, contracts, agreements and mortgages in any manner connected with any of its corporate purposes and to invest its funds;

(b) to sue and be sued;

(c) to employ agents and employees and independent contractors necessary to carry out its purposes and to fix their compensation, benefits and terms and conditions of their employment;

(d) to have and use a common seal and to alter the same at pleasure;

(e) to adopt all needful ordinances, resolutions, bylaws, rules and regulations for the conduct of its business and affairs and for the management and use of the projects developed, constructed, acquired and improved in furtherance of its purposes;

(f) to have and exercise all powers and be subject to all duties otherwise necessary to effectuate the purposes of this Act. If any of the powers set forth in this Act are exercised within the jurisdictional limits of any municipality, all ordinances of the municipality shall remain in full force and effect and shall be controlling.

Section 801-40. In addition to the powers otherwise authorized by law and in addition to the foregoing general corporate powers, the Authority shall also have the following additional specific powers to be exercised in furtherance of the purposes of this Act.

(a) The Authority shall have power (i) to accept grants, loans or appropriations from the federal government or the State, or any agency or instrumentality thereof, to be used for the operating expenses of the Authority, or for any purposes of the Authority, including the making of direct loans of such funds with respect to projects, and (ii) to enter into any agreement with the federal government or the State, or any agency or instrumentality thereof, in relationship to such grants, loans or appropriations.

(b) The Authority shall have power to procure and enter into contracts for any type of insurance and indemnity agreements covering loss or damage to property from any cause, including loss of use and occupancy, or covering any other insurable risk.

(c) The Authority shall have the continuing power to

issue bonds for its corporate purposes. Bonds may be issued by the Authority in one or more series and may provide for the payment of any interest deemed necessary on such bonds, of the costs of issuance of such bonds, of any premium on any insurance, or of the cost of any guarantees, letters of credit or other similar documents, may provide for the funding of the reserves deemed necessary in connection with such bonds, and may provide for the refunding or advance refunding of any bonds or for accounts deemed necessary in connection with any purpose of the Authority. The bonds may bear interest payable at any time or times and at any rate or rates, notwithstanding any other provision of law to the contrary, and such rate or rates may be established by an index or formula which may be implemented or established by persons appointed or retained therefor by the Authority, or may bear no interest or may bear interest payable at maturity or upon redemption prior to maturity, may bear such date or dates, may be payable at such time or times and at such place or places, may mature at any time or times not later than 40 years from the date of issuance, may be sold at public or private sale at such time or times and at such price or prices, may be secured by such pledges, reserves, guarantees, letters of credit, insurance contracts or other similar credit support or liquidity instruments, may be executed in such manner, may be subject to redemption prior to maturity, may provide for the registration of the bonds, and may be subject to such other terms and conditions all as may be provided by the resolution or indenture authorizing the issuance of such bonds. The holder or holders of any bonds issued by the Authority may bring suits at law or proceedings in equity to compel the performance and observance by any person or by the Authority or any of its agents or employees of any contract or covenant made with the holders of such bonds and to compel such person or the Authority and any of

its agents or employees to perform any duties required to be performed for the benefit of the holders of any such bonds by the provision of the resolution authorizing their issuance, and to enjoin such person or the Authority and any of its agents or employees from taking any action in conflict with any such contract or covenant. Notwithstanding the form and tenor of any such bonds and in the absence of any express recital on the face thereof that it is non-negotiable, all such bonds shall be negotiable instruments. Pending the preparation and execution of any such bonds, temporary bonds may be issued as provided by the resolution. The bonds shall be sold by the Authority in such manner as it shall determine. The bonds may be secured as provided in the authorizing resolution by the receipts, revenues, income and other available funds of the Authority and by any amounts derived by the Authority from the loan agreement or lease agreement with respect to the project or projects; and bonds may be issued as general obligations of the Authority payable from such revenues, funds and obligations of the Authority as the bond resolution shall provide, or may be issued as limited obligations with a claim for payment solely from such revenues, funds and obligations as the bond resolution shall provide. The Authority may grant a specific pledge or assignment of and lien on or security interest in such rights, revenues, income, or amounts and may grant a specific pledge or assignment of and lien on or security interest in any reserves, funds or accounts established in the resolution authorizing the issuance of bonds. Any such pledge, assignment, lien or security interest for the benefit of the holders of the Authority's bonds shall be valid and binding from the time the bonds are issued without any physical delivery or further act, and shall be valid and binding as against and prior to the claims of all other parties having claims against the Authority or any other person irrespective

of whether the other parties have notice of the pledge, assignment, lien or security interest. As evidence of such pledge, assignment, lien and security interest, the Authority may execute and deliver a mortgage, trust agreement, indenture or security agreement or an assignment thereof. A remedy for any breach or default of the terms of any such agreement by the Authority may be by mandamus proceedings in any court of competent jurisdiction to compel the performance and compliance therewith, but the agreement may prescribe by whom or on whose behalf such action may be instituted. It is expressly understood that the Authority may, but need not, acquire title to any project with respect to which it exercises its authority.

(d) With respect to the powers granted by this Act, the Authority may adopt rules and regulations prescribing the procedures by which persons may apply for assistance under this Act. Nothing herein shall be deemed to preclude the Authority, prior to the filing of any formal application, from conducting preliminary discussions and investigations with respect to the subject matter of any prospective application.

(e) The Authority shall have power to acquire by purchase, lease, gift or otherwise any property or rights therein from any person useful for its purposes, whether improved for the purposes of any prospective project, or unimproved. The Authority may also accept any donation of funds for its purposes from any such source. The Authority shall have no independent power of condemnation but may acquire any property or rights therein obtained upon condemnation by any other authority, governmental entity or unit of local government with such power.

(f) The Authority shall have power to develop, construct and improve either under its own direction, or through collaboration with any approved applicant, or to acquire

through purchase or otherwise, any project, using for such purpose the proceeds derived from the sale of its bonds or from governmental loans or grants, and to hold title in the name of the Authority to such projects.

(g) The Authority shall have power to lease pursuant to a lease agreement any project so developed and constructed or acquired to the approved tenant on such terms and conditions as may be appropriate to further the purposes of this Act and to maintain the credit of the Authority. Any such lease may provide for either the Authority or the approved tenant to assume initially, in whole or in part, the costs of maintenance, repair and improvements during the leasehold period. In no case, however, shall the total rentals from any project during any initial leasehold period or the total loan repayments to be made pursuant to any loan agreement, be less than an amount necessary to return over such lease or loan period (1) all costs incurred in connection with the development, construction, acquisition or improvement of the project and for repair, maintenance and improvements thereto during the period of the lease or loan; provided, however, that the rentals or loan repayments need not include costs met through the use of funds other than those obtained by the Authority through the issuance of its bonds or governmental loans; (2) a reasonable percentage additive to be agreed upon by the Authority and the borrower or tenant to cover a properly allocable portion of the Authority's general expenses, including, but not limited to, administrative expenses, salaries and general insurance, and (3) an amount sufficient to pay when due all principal of, interest and premium, if any on, any bonds issued by the Authority with respect to the project. The portion of total rentals payable under clause (3) of this subsection (g) shall be deposited in such special accounts, including all sinking funds, acquisition or construction funds, debt service and other

funds as provided by any resolution, mortgage or trust agreement of the Authority pursuant to which any bond is issued.

(h) The Authority has the power, upon the termination of any leasehold period of any project, to sell or lease for a further term or terms such project on such terms and conditions as the Authority shall deem reasonable and consistent with the purposes of the Act. The net proceeds from all such sales and the revenues or income from such leases shall be used to satisfy any indebtedness of the Authority with respect to such project and any balance may be used to pay any expenses of the Authority or be used for the further development, construction, acquisition or improvement of projects. In the event any project is vacated by a tenant prior to the termination of the initial leasehold period, the Authority shall sell or lease the facilities of the project on the most advantageous terms available. The net proceeds of any such disposition shall be treated in the same manner as the proceeds from sales or the revenues or income from leases subsequent to the termination of any initial leasehold period.

(i) The Authority shall have the power to make loans to persons to finance a project, to enter into loan agreements with respect thereto, and to accept guarantees from persons of its loans or the resultant evidences of obligations of the Authority.

(j) The Authority may fix, determine, charge and collect any premiums, fees, charges, costs and expenses, including, without limitation, any application fees, commitment fees, program fees, financing charges or publication fees from any person in connection with its activities under this Act.

(k) In addition to the funds established as provided herein, the Authority shall have the power to create and establish such reserve funds and accounts as may be necessary

or desirable to accomplish its purposes under this Act and to deposit its available monies into the funds and accounts.

(l) At the request of the governing body of any unit of local government, the Authority is authorized to market such local government's revenue bond offerings by preparing bond issues for sale, advertising for sealed bids, receiving bids at its offices, making the award to the bidder that offers the most favorable terms or arranging for negotiated placements or underwritings of such securities. The Authority may, at its discretion, offer for concurrent sale the revenue bonds of several local governments. Sales by the Authority of revenue bonds under this Section shall in no way imply State guarantee of such debt issue. The Authority may require such financial information from participating local governments as it deems necessary in order to carry out the purposes of this subsection (1).

(m) The Authority may make grants to any county to which Division 5-37 of the Counties Code is applicable to assist in the financing of capital development, construction and renovation of new or existing facilities for hospitals and health care facilities under that Act. Such grants may only be made from funds appropriated for such purposes from the Build Illinois Bond Fund or the Build Illinois Purposes Fund.

(n) The Authority may establish an urban development action grant program for the purpose of assisting municipalities in Illinois which are experiencing severe economic distress to help stimulate economic development activities needed to aid in economic recovery. The Authority shall determine the types of activities and projects for which the urban development action grants may be used, provided that such projects and activities are broadly defined to include all reasonable projects and activities the primary objectives of which are the development of viable urban communities, including decent housing and a suitable

living environment, and expansion of economic opportunity, principally for persons of low and moderate incomes. The Authority shall enter into grant agreements from monies appropriated for such purposes from the Build Illinois Bond Fund or the Build Illinois Purposes Fund. The Authority shall monitor the use of the grants, and shall provide for audits of the funds as well as recovery by the Authority of any funds determined to have been spent in violation of this subsection (n) or any rule or regulation promulgated hereunder. The Authority shall provide technical assistance with regard to the effective use of the urban development action grants. The Authority shall file an annual report to the General Assembly concerning the progress of the grant program.

(o) The Authority may establish a Housing Partnership Program whereby the Authority provides zero-interest loans to municipalities for the purpose of assisting in the financing of projects for the rehabilitation of affordable multi-family housing for low and moderate income residents. The Authority may provide such loans only upon a municipality's providing evidence that it has obtained private funding for the rehabilitation project. The Authority shall provide 3 State dollars for every 7 dollars obtained by the municipality from sources other than the State of Illinois. The loans shall be made from monies appropriated for such purpose from the Build Illinois Bond Fund or the Build Illinois Purposes Fund. The total amount of loans available under the Housing Partnership Program shall not exceed \$30,000,000. State loan monies under this subsection shall be used only for the acquisition and rehabilitation of existing buildings containing 4 or more dwelling units. The terms of any loan made by the municipality under this subsection shall require repayment of the loan to the municipality upon any sale or other transfer of the project.

(p) The Authority may award grants to universities and research institutions, research consortiums and other not-for-profit entities for the purposes of: remodeling or otherwise physically altering existing laboratory or research facilities, expansion or physical additions to existing laboratory or research facilities, construction of new laboratory or research facilities or acquisition of modern equipment to support laboratory or research operations provided that such grants (i) be used solely in support of project and equipment acquisitions which enhance technology transfer, and (ii) not constitute more than 60 percent of the total project or acquisition cost.

(q) Grants may be awarded by the Authority to units of local government for the purpose of developing the appropriate infrastructure or defraying other costs to the local government in support of laboratory or research facilities provided that such grants may not exceed 40% of the cost to the unit of local government.

(r) The Authority may establish a Direct Loan Program to make loans to individuals, partnerships or corporations for the purpose of an industrial project, as defined in Section 801-10 of this Act. For the purposes of such program and not by way of limitation on any other program of the Authority, the Authority shall have the power to issue bonds, notes, or other evidences of indebtedness including commercial paper for purposes of providing a fund of capital from which it may make such loans. The Authority shall have the power to use any appropriations from the State made especially for the Authority's Direct Loan Program for additional capital to make such loans or for the purposes of reserve funds or pledged funds which secure the Authority's obligations of repayment of any bond, note or other form of indebtedness established for the purpose of providing capital for which it intends to make such loans under the Direct Loan Program. For

the purpose of obtaining such capital, the Authority may also enter into agreements with financial institutions and other persons for the purpose of selling loans and developing a secondary market for such loans. Loans made under the Direct Loan Program may be in an amount not to exceed \$300,000 and shall be made for a portion of an industrial project which does not exceed 50% of the total project. No loan may be made by the Authority unless approved by the affirmative vote of at least 8 members of the board. The Authority shall establish procedures and publish rules which shall provide for the submission, review, and analysis of each direct loan application and which shall preserve the ability of each board member to reach an individual business judgment regarding the propriety of making each direct loan. The collective discretion of the board to approve or disapprove each loan shall be unencumbered. The Authority may establish and collect such fees and charges, determine and enforce such terms and conditions, and charge such interest rates as it determines to be necessary and appropriate to the successful administration of the Direct Loan Program. The Authority may require such interests in collateral and such guarantees as it determines are necessary to protect the Authority's interest in the repayment of the principal and interest of each loan made under the Direct Loan Program.

(s) The Authority may guarantee private loans to third parties up to a specified dollar amount in order to promote economic development in this State.

(t) The Authority may adopt rules and regulations as may be necessary or advisable to implement the powers conferred by this Act.

(u) The Authority shall have the power to issue bonds, notes or other evidences of indebtedness, which may be used to make loans to units of local government which are authorized to enter into loan agreements and other documents

and to issue bonds, notes and other evidences of indebtedness for the purpose of financing the protection of storm sewer outfalls, the construction of adequate storm sewer outfalls, and the provision for flood protection of sanitary sewage treatment plans, in counties that have established a stormwater management planning committee in accordance with Section 5-1062 of the Counties Code. Any such loan shall be made by the Authority pursuant to the provisions of Section 820-5 to 820-60 of this Act. The unit of local government shall pay back to the Authority the principal amount of the loan, plus annual interest as determined by the Authority. The Authority shall have the power, subject to appropriations by the General Assembly, to subsidize or buy down a portion of the interest on such loans, up to 4% per annum.

(v) The Authority may accept security interests as provided in Sections 11-3 and 11-3.3 of the Illinois Public Aid Code.

(w) Moral Obligation. In the event that the Authority determines that monies of the Authority will not be sufficient for the payment of the principal of and interest on its bonds during the next State fiscal year, the Chairperson, as soon as practicable, shall certify to the Governor the amount required by the Authority to enable it to pay such principal of and interest on the bonds. The Governor shall submit the amount so certified to the General Assembly as soon as practicable, but no later than the end of the current State fiscal year. This subsection shall apply only to any bonds or notes as to which the Authority shall have determined, in the resolution authorizing the issuance of the bonds or notes, that this subsection shall apply. Whenever the Authority makes such a determination, that fact shall be plainly stated on the face of the bonds or notes and that fact shall also be reported to the Governor. In the event of a withdrawal of moneys from a reserve fund established with

respect to any issue or issues of bonds of the Authority to pay principal or interest on those bonds, the Chairperson of the Authority, as soon as practicable, shall certify to the Governor the amount required to restore the reserve fund to the level required in the resolution or indenture securing those bonds. The Governor shall submit the amount so certified to the General Assembly as soon as practicable, but no later than the end of the current State fiscal year. The Authority shall obtain written approval from the Governor for any bonds and notes to be issued under this Section. In addition to any other bonds authorized to be issued under Sections 825-60, 825-65(e), 830-25 and 845-5, the principal amount of Authority bonds outstanding issued under this Section 801-40(w) or under 20 ILCS 3850/1-80 or 30 ILCS 360/2-6(c), which have been assumed by the Authority, shall not exceed \$150,000,000.

Section 801-45. Property Taxation. The property of the Authority and its respective income and operations, shall be exempt from taxation.

ARTICLE 805

INDUSTRIAL REVENUE BOND INSURANCE FUND

Section 805-5. Findings and Declaration of Policy. It is hereby found and declared that a continuing need exists to maintain and develop the State's economy; that there are significant barriers in the capital markets inhibiting the issuance by the Authority of industrial revenue bonds to assist in financing industrial projects in the State, particularly for smaller firms; and that the establishment of the Industrial Revenue Bond Insurance Fund and the exercise by the Authority of the powers granted in this Article will promote economic development by widening the market for the

Authority's revenue bonds.

Section 805-10. Definitions. The following terms, whenever used or referred to in this Article, shall have the following meanings ascribed to them, except where the context clearly requires otherwise:

(a) "Financial Institution" means a financial institution which is a trust company, a bank, a savings bank, a credit union, an investment bank, a broker, an investment trust, a pension fund, a building and loan association, a savings and loan association, an insurance company, or any other institution acceptable to the Authority, authorized to do business in the State and approved by the Authority to insure bonds or loans for industrial projects authorized by this Act.

(b) "Participating lender" means any trust company, bank, savings bank, credit union, investment bank, broker, investment trust, pension fund, building and loan association, savings and loan association, insurance company or other institution approved by the Authority which assumes a portion of the risk on a loan for an industrial project as provided in Section 805-30 of this Act.

Section 805-15. Industrial Project Insurance Fund. There is created the Industrial Project Insurance Fund, hereafter referred to in Sections 805-15 through 805-50 of this Act as the "Fund". The Treasurer shall have custody of the Fund, which shall be held outside of the State treasury, except that custody may be transferred to and held by any bank, trust company or other fiduciary with whom the Authority executes a trust agreement as authorized by paragraph (h) of Section 805-20 of this Act. Any portion of the Fund against which a charge has been made, shall be held for the benefit of the holders of the loans or bonds insured under Section

805-20 of this Act. There shall be deposited in the Fund such amounts, including but not limited to:

(a) All receipts of bond and loan insurance premiums;

(b) All proceeds of assets of whatever nature received by the Authority as a result of default or delinquency with respect to insured loans or bonds with respect to which payments from the Fund have been made, including proceeds from the sale, disposal, lease or rental of real or personal property which the Authority may receive under the provisions of this Article but excluding the proceeds of insurance hereunder;

(c) All receipts from any applicable contract or agreement entered into by the Authority under paragraph (b) of Section 805-20 of this Act;

(d) Any State appropriations, transfers of appropriations, or transfers of general obligation bond proceeds or other monies made available to the Fund. Amounts in the Fund shall be used in accordance with the provisions of this Article to satisfy any valid insurance claim payable therefrom and may be used for any other purpose determined by the Authority in accordance with insurance contract or contracts with financial institutions entered into pursuant to this Act, including without limitation protecting the interest of the Authority in industrial projects during periods of loan delinquency or upon loan default through the purchase of industrial projects in foreclosure proceedings or in lieu of foreclosure or through any other means. Such amounts may also be used to pay administrative costs and expenses reasonably allocable to the activities in connection with the Fund and to pay taxes, maintenance, insurance, security and any other costs and expenses of bidding for, acquiring, owning, carrying and disposing of industrial projects which were financed with the proceeds of insured bonds or loans. In the case of a default in payment with

respect to any loan, mortgage or other agreement so insured, the amount of the default shall immediately, and at all times during the continuance of such default, and to the extent provided in any applicable agreement, constitute a charge on the Fund. Any amounts in the Fund not currently needed to meet the obligations of the Fund may be invested as provided by law in obligations designated by the Authority, and all income from such investments shall become part of the Fund. In making such investments, the Authority shall act with the care, skill, diligence and prudence under the circumstances of a prudent person acting in a like capacity in the conduct of an enterprise of like character and with like aims. It shall diversify such investments of the Authority so as to minimize the risk of large losses, unless under the circumstances it is clearly not prudent to do so. Any amounts in the Fund not needed to meet the obligations of the Fund may be transferred to the Credit Enhancement Development Fund of the Authority pursuant to resolution of the members of the Authority.

Section 805-20. Powers and Duties; Industrial Project Insurance Program. The Authority has the power:

(a) To insure and make advance commitments to insure all or any part of the payments required on the bonds issued or a loan made to finance any environmental facility under the Illinois Environmental Facilities Financing Act or for any industrial project upon such terms and conditions as the Authority may prescribe in accordance with this Article. The insurance provided by the Authority shall be payable solely from the Fund created by Section 805-15 and shall not constitute a debt or pledge of the full faith and credit of the State, the Authority, or any political subdivision thereof;

(b) To enter into insurance contracts, letters of credit

or any other agreements or contracts with financial institutions with respect to the Fund and any bonds or loans insured thereunder. Any such agreement or contract may contain terms and provisions necessary or desirable in connection with the program, subject to the requirements established by this Act, including without limitation terms and provisions relating to loan documentation, review and approval procedures, origination and servicing rights and responsibilities, default conditions, procedures and obligations with respect to insurance contracts made under this Act. The agreements or contracts may be executed on an individual, group or master contract basis with financial institutions;

(c) To charge reasonable fees to defray the cost of obtaining letters of credit or other similar documents, other than insurance contracts under paragraph (b). Any such fees shall be payable by such person, in such amounts and at such times as the Authority shall determine, and the amount of the fees need not be uniform among the various bonds or loans insured;

(d) To fix insurance premiums for the insurance of payments under the provisions of this Article. Such premiums shall be computed as determined by the Authority. Any premiums for the insurance of loan payments under the provisions of this Act shall be payable by such person, in such amounts and at such times as the Authority shall determine, and the amount of the premiums need not be uniform among the various bonds or loans insured;

(e) To establish application fees and prescribe application, notification, contract and insurance forms, rules and regulations it deems necessary or appropriate;

(f) To make loans and to issue bonds secured by insurance or other agreements authorized by paragraphs (a) and (b) of this Section 805-20 and to issue bonds secured by loans that

are guaranteed by the federal government or agencies thereof;

(g) To issue a single bond issue, or a series of bond issues, for a group of industrial projects, a group of corporations, or a group of business entities or any combination thereof insured by insurance or backed by any other agreement authorized by paragraphs (a) and (b) of this Section or secured by loans that are guaranteed by the federal government or agencies thereof;

(h) To enter into trust agreements for the management of the Fund created under Section 805-15 of this Act; and

(i) To exercise such other powers as are necessary or incidental to the foregoing.

Section 805-25. Insurance Contracts; Claim Responsibility. Any contract of insurance made by the Authority with a lender or bondholder or for the benefit thereof under this Act shall provide that claims payable under such contract shall be paid from any amounts available in the Fund and from any amounts available under the terms of any applicable contract or agreement with other financial institutions, in such order of priority as the Authority shall deem appropriate. The obligation of the Authority to make payments under any such contract shall be limited solely to the amounts provided in such contract and shall not constitute a debt or liability of the State, the Authority or any subdivision thereof. Any insurance contract or other agreement with a lender or bondholder or for the benefit thereof and any rule or regulation of the Authority implementing the insurance program may contain such other terms, provisions or conditions as the Authority deems necessary or appropriate, including, without limitation, those relating to the payment of insurance premiums, the giving of notice, claim procedures, the sources of payment for claims, the priority of competing claims for payment, the

release or termination of loan security and borrower liability, the timing of payment, the maintenance and disposition of industrial projects and the use of amounts received during periods of delinquency or upon default, and any other provisions concerning the rights of insured parties or conditions to the payment of insurance claims.

Section 805-30. Applications for Insured Industrial Project Loans; Procedures. Applications received by the Authority shall be forwarded to a credit review committee consisting of 3 persons experienced in industrial financing selected by the Authority for a review and report concerning the advisability of approving the proposed insurance. The review and report shall include facts about the company's history, job opportunities, stability of employment, financial condition and structure, income statements, market prospects and management, and any other facts material to the insurance request. The report shall include a reasoned opinion as to whether providing the insurance would tend to fulfill the purposes of the Authority and the insurance program. The report shall be advisory in nature only. Payment shall be made to the members of the committee selected by the Authority on a reasonable consultant basis, as the Authority may determine. The credit review committee shall be of such composition, act for such time and have such powers as shall be specified in the agreement or agreements establishing its existence and, to the extent so specified, shall act for the Authority in matters concerning the insurance program authorized by Sections 805-5 through 805-45 of this Act. The Authority shall, on the basis of the application, the report of the credit review committee, the information provided by the local or regional industrial development agency, and any other appropriate information, prepare a report concerning the creditworthiness of the proposed borrower, the loan

record of the participating lender, the financial commitment of the participating lender, the manner in which the proposed industrial project will advance the economy of the State and the soundness of the proposed loan. The Fund, or any portion thereof against which a charge has been made, shall be held for the benefit of the holders of the bonds or loans insured under Section 805-20 of this Act, as provided by agreement between the Authority and such holders. The Authority shall be satisfied that the Fund is protected by adequate security on all bonds or loans insured by the Authority.

Section 805-35. Loan Approval Standards. Before approving any bond or loan insurance under this Act, the Authority shall find that any loan insured by or to be made from the proceeds of bonds insured by the Authority under this Act shall:

(a) Be made for an industrial project or any environmental facility under the Illinois Environmental Facilities Financing Act;

(b) Be made to a borrower approved by the Authority as responsible and creditworthy;

(c) Be reviewed for insurance by the credit review committee established by the Authority pursuant to this Act;

(d) In the case of real property, be secured by a first mortgage on the property, or by any other security satisfactory to the Authority to secure payment of the loans, and have a maturity date not later than 25 years after the date of the loan;

(e) In the case of machinery and equipment, be secured by a first security interest in the machinery and equipment, or by any other security satisfactory to the Authority to secure payment of the loan, and have a maturity date not later than 12 years from the date of the loan;

(f) Contain complete amortization provisions satisfactory

to the Authority;

(g) Be in such principal amount and form, and contain such terms and provisions with respect to property insurance, repairs, alterations, payment of taxes and assessments, delinquency charges, default remedies, additional security and other matters as the Authority shall determine;

(h) Be made only after the Authority has made a determination that, in its sole opinion, the loan has the potential to provide or retain substantial employment in relation to the principal amount of the loan to be insured, which employment, so far as feasible, may be expected to be of residents of areas of critical labor surplus;

(i) Be made only after the Authority has made a determination that, in its sole opinion, adequate provision is being or will be made to meet any increased demand upon community public facilities that will likely result from the project; and

(j) Be made only after the Authority has made a determination that, in its sole opinion, the public interest is adequately protected by the terms of the loan and of the insurance contract or other agreements. Any contract of insurance executed by the Authority under this Act shall be conclusive evidence of eligibility for such insurance, and the validity of any contract of insurance so executed or of an advance commitment to insure shall be incontestable in the hands of a borrower or bondholder from the date of execution and delivery of the contract or commitment, except for fraud, or misrepresentation on the part of the borrower and, as to commitments to insure, noncompliance with the commitment or Authority rules or regulations in force at the time of issuance of the commitment. Nothing in this Act shall be construed as creating any rights of a competitor of an approved borrower or any applicant whose application is denied by the Authority to challenge any application which is

accepted by the Authority and any loan, contract of insurance or other agreement executed in connection therewith.

Section 805-40. Investments in Insured Debts of the Authority. The State and all counties, municipalities and other public corporations, political subdivisions and public bodies, and public officers of any thereof, all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds, loans or extension of credit which are the subject of insurance pursuant to this Article, it being the purpose of this Section to authorize the investment of such bonds, loans or extension of credit of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this Section may be construed as relieving any persons from any duty of exercising reasonable care in selecting securities for purchase or investment. The bonds and any loan or extension of credit which are the subject of insurance pursuant to this Article are also hereby made securities which may properly and legally be deposited with and received by all public officers and bodies of the State or any agency or political subdivisions thereof and all municipalities and public corporations for any purpose for which the deposit of bonds is now or may hereafter be authorized by law.

Section 805-45. Cooperation with Local Industrial Development Agencies. When the Authority receives an application from a potential insured loan borrower, it shall promptly notify the local industrial development agency of that fact in writing if such an agency exists in the municipality or county where such industrial project is proposed to be financed; or the corporate authorities in such municipality where no such agency exists. The Authority shall provide the local industrial development agency with any available information that the agency needs to prepare a recommendation concerning the advisability of the industrial project and its impact, economic and otherwise, on the community and the State. Such application shall include a written authorization by the applicant that such notification and information be made available to such agency or municipality to the extent that such information is not deemed to be confidential under Section 805-50 of this Act. The Authority shall not consider any application that does not include such written authorization. The Authority shall encourage financial participation by local industrial development agencies by giving priority consideration to insured loan applicants from areas serviced by those agencies that have demonstrated a commitment to economic development.

Section 805-50. Documentary material concerning trade secrets; Commercial or financial information; Confidentiality. Any documentary materials or data made or received by any member, agent, or employee of the Authority or the credit review committees, to the extent that such materials or data consist of trade secrets, commercial or financial information regarding the operation of any enterprise conducted by an applicant for, or recipient of, any form of assistance which the Authority is empowered to render under this Article, or regarding the competitive

position of such enterprise in a particular field of endeavor, shall not be deemed public records.

ARTICLE 810

VENTURE INVESTMENT FUND

Section 810-5. Findings and Declaration of Policy. It is hereby found and declared that a continuing need exists to maintain and develop the State's economy; that assisting and encouraging economic development through private enterprise will help to create and maintain employment and governmental revenues and is an important function of the State; that the availability of seed capital and equity capital is an important inducement to enterprises to remain, locate and expand in the State; that there exists in the State gaps in the availability of capital for the development and exploitation of new technologies, products, processes and inventions and that this shortage has resulted and will continue to result in a shortfall in the development of new enterprises and employment in Illinois; that the establishment of the Illinois Venture Investment Fund and the exercise by the Authority of the powers granted in Sections 810-5 through 810-40 of this Act will promote economic development resulting in increased employment and public revenues; and that the provisions of this Act are hereby declared to be in the public interest and for the public benefit.

Section 810-10. Definitions. The following terms, whenever used or referred to in this Article, shall have the following meanings ascribed to them, except where the context clearly requires otherwise:

(a) "Co-venture investment" means a venture capital or seed capital investment by the Authority in qualified

securities of an enterprise that is made after or in conjunction with one or more professional investors that have or are making equity investments in that enterprise, as provided in this Act. A direct investment made by the Authority may later be treated as a co-venture upon such investment made by a professional investor.

(b) "Direct investment" means a venture capital or seed capital investment by the Authority in qualified securities of an enterprise in which no professional investor or seed capital investor is also making an equity investment.

(c) "Enterprise" means an individual, corporation, partnership, joint venture, trust, estate, or unincorporated association.

(d) "Professional investor" means any bank, bank holding company, savings institution, trust company, credit union, insurance company, investment company registered under the Federal Investment Company Act of 1940, pension or profit-sharing trust or other financial institution or institutional buyer, licensee under the Federal Small Business Investment Act of 1958, or any person, partnership, or other entity whose principal business is making venture capital investments and whose net worth exceeds \$250,000.

(e) "Qualified security" means any note, stock, convertible security, treasury stock, bond, debenture, evidence of indebtedness, limited partnership interest, certificate of interest or participation in any profit-sharing agreement, pre-organization certificate or subscription, transferable share, investment contract, certificate of deposit for a security, certificate of interest or participation in a patent or application therefor, or in royalty or other payments under a patent or application, or, in general, any interest or instrument commonly known as a "security" or any certificate for, receipt for, guarantee of, or option, warrant, or right to

subscribe to or purchase any of the foregoing.

(f) "Seed capital" means financing in the form of investments in qualified securities that is provided for applied research, development, testing, and initial marketing of a technology, product, process, or invention and associated working capital.

(g) "Seed capital investor" means any person, partnership, corporation, trust, or other entity making a seed capital investment.

(h) "Director" means the person designated by the Authority to manage the activities associated with the Illinois Venture Investment Fund.

(i) "Venture capital" means financing in the form of investments in qualified securities that is provided for the capital needs of a company that is developing a new technology, product, process, or invention.

Section 810-15. Illinois Venture Investment Fund. There is created the Illinois Venture Investment Fund, hereafter referred to in this Article as the "Fund". The Treasurer of the Authority shall have custody of the Fund, which shall be held outside of the State treasury. The Authority is authorized to accept any and all grants, loans, including loans from State public employee pension funds, as authorized by this Act or any other statute, subsidies, matching funds, reimbursements, appropriations, transfers of appropriations, federal grant monies, income derived from investments, or other things of value from the federal or state governments or any agency of any other state or from any institution, person, firm or corporation, public or private, for deposit in the Fund. The Authority is authorized to use monies deposited in the Fund expressly for the purposes specified in and according to the procedures established by Sections 810-20 through 810-40 of this Act. The Authority may appoint

a Director to manage the activities associated with the Fund. Such Director shall receive compensation as determined by the Authority.

Section 810-20. Powers and Duties; Illinois Venture Investment Fund Limits. The Authority shall invest and reinvest the Fund and the income, thereof, in the following ways:

(a) To make a direct investment in qualified securities issued by enterprises and to dispose of those securities within 10 years after the date of the direct investment as determined by the Authority for the purpose of providing venture capital or seed capital, provided that the investment shall not exceed 49% of the estimated cost of development, testing, and initial production and marketing and associated working capital for the technology, product, process, or invention, or \$750,000, whichever is less;

(b) To enter into written agreements or contracts (including limited partnership agreements) with one or more professional investors or one or more seed capital investors, if any, for the purpose of establishing a pool of funds to be used exclusively as venture capital or seed capital investments. The Authority shall not invest more than \$2,000,000 in a single pool of funds or affiliated pools of funds. The agreement or contract shall provide for the pool of funds to be managed by a professional investor. The manager may be the general partner of a limited partnership of which the Authority is a limited partner. The agreement or contract may provide for reimbursement of expenses of, and payment of a fee to, the manager. The agreement or contract may also provide for payment to the manager of a percentage, not to exceed 40% (computed on an annual basis), of cash and other property payable to the Authority as its pro-rata share of distributions to investors in the pool of funds, provided

that (i) no amount shall be received by the manager upon sale or other disposition of qualified investments in enterprises until recovery by the Authority of its investment and upon liquidation or withdrawal of the Authority from the pool of funds, the manager shall be obligated to refund any amount received by it from such percentage if necessary to allow the Authority to recover its investment or (ii) the terms of payment of cash and other property to the Authority are no less favorable to the Authority than payments to other seed capital investors (other than the manager) who are parties to the agreement or contract.

(c) To make co-venture investments by entering into agreements with one or more professional investors or one or more seed capital investors, if any, who have formally agreed to invest at least 50% as much as the Authority invests in the enterprise, for the purpose of providing venture capital or seed capital; but no more than \$1,000,000 shall be invested by the Authority in the qualified securities of a single enterprise. A total of not more than \$1,500,000 may be invested in the securities of a single enterprise, if the Authority shall find, after the initial investment by the Authority, that additional investments in the enterprise are necessary to protect or enhance the initial investment of the Authority. Each co-venture investment agreement shall provide that the Authority will recover its investment before or simultaneously with any distribution to participating professional investors or seed capital investors. The Authority and participating professional investors and seed capital investors shall share ratably in the profits earned in any form on the co-venture investment, but the Authority may, at its discretion, agree to pay to a participating professional investor a percentage, not to exceed 40% (computed on an annual basis), of cash and other property payable to the Authority as its pro-rata share of

distributions to investors in the pool of funds, provided that (i) no amount shall be received by the participating professional investor upon sale or other disposition of qualified investments in the enterprises until recovery by the Authority of its investment and upon liquidation or withdrawal of the Authority from the pool of funds, the participating professional investor shall be obligated to refund any amount received by it from such percentage if necessary to allow the Authority to recover its investment or (ii) the terms of payment of cash and other property to the Authority are no less favorable to the Authority than payments to other seed capital investors or professional investors (other than the professional investor) who are parties to the agreement or contract;

(d) To purchase qualified securities of certified development corporations created under Section 503 of the federal Small Business Administration Act, including the Illinois Small Business Growth Corporation, for the purpose of making loans to enterprises that have the potential to create substantial employment within the State per dollar invested by the Authority, provided that the investment does not exceed 25% of the total investment in each corporation at the time the investment is approved by the Authority. Investment by the Authority in the Illinois Small Business Growth Corporation is not limited by the foregoing provision;

(e) To purchase qualified securities of small business investment companies and minority enterprise small business investment corporations certified by the federal Small Business Administration which are committed to making 60% of their investments in the State, provided that investments from the Fund do not exceed 25% of the total investment in these entities at the time the investment is approved by the Authority;

(f) To make the investments of any funds held in reserves

or sinking funds, or any funds not required for immediate disbursement, as may be lawful investments for fiduciaries in the State;

(g) To facilitate and promote the acquisition and revitalization of existing manufacturing enterprises by developing and maintaining a list of firms, or divisions thereof, located within the State that are available for purchase, merger, or acquisition. The list shall be made available at such charges as the Authority may determine to all interested persons and institutions upon request. No firm shall appear on the list without its prior written permission. The list may contain such additional financial, technical, market and other information as may be supplied by the listed firm. The Authority shall bear no responsibility for the accuracy of the information contained on the list, and each listed firm shall hold the Authority harmless against any claim of inaccuracy. Enterprises supported by investments from the Fund shall receive consideration by the Authority in the allocation of loans to be insured or loans to be made from the proceeds of bonds to be insured by the Industrial Revenue Bond Insurance Fund established under this Article, and the Authority shall coordinate its activities under the 2 programs.

Section 810-25. Direct and Co-venture Investments. An enterprise seeking a direct investment from the Illinois Venture Investment Fund shall file an application with the Authority along with an applicable fee to be determined by the Authority. A valid application shall contain a business plan, including a description of the enterprise and its management, a statement of the amount, timing, and projected use of the capital required, a statement concerning the feasibility of the proposed technology, product, process, or invention, its state of development and likelihood of

commercial success, a statement of the potential economic impact of the enterprise on the State, including the number, location, and types of jobs expected to be created, and such other information as the Authority shall require. In addition to the foregoing, the Authority shall approve an application for a direct investment and shall approve a co-venture investment only after it has made the following findings:

(a) The enterprise has a reasonable chance of success;

(b) If the application is for a direct investment, Authority participation is necessary to the success of the enterprise because conventional, private funding is unavailable in the traditional capital markets, or because funding has been offered on terms that would substantially hinder the success of the enterprise;

(c) The technology, product, process, or invention for which the investment is being made is feasible, has the potential to achieve commercial success and the enterprise has the potential to create substantial employment within the State per dollar invested and that this employment, so far as feasible, may be expected to be for residents of areas of critical labor surplus;

(d) The entrepreneur, investors, shareholders, and other founders of the enterprise have already made or are obligated to make a substantial financial and time commitment to the enterprise;

(e) The securities to be purchased are qualified securities;

(f) The Authority determines that the possible gains on the investment are at least commensurate with the risk of loss and that there is a reasonable possibility that the Authority will recoup its investment, within 10 years after the investment or such other time period as negotiated by the Authority, through the receipt of interest payments, dividends, capital gains, or other distribution of profits,

or royalties on investments made by the Authority; and

(g) Binding commitments have been made to the Authority by the enterprise for adequate reporting of financial data to the Authority and any participating professional investors or seed capital investors. The report shall include an annual audit of the books of the enterprise by an independent certified public accountant if the Authority so requires. The Authority and any participating professional investors or seed capital investors shall secure sufficient contractual rights from the enterprise as the Authority shall consider prudent to protect the investment of the Authority, including, at the discretion of the Authority and without limitation, a right of access to financial and other records of the enterprise. The Authority's interest in qualified securities from investments shall not represent more than 49% of the voting stock of any single enterprise at the time of purchase after giving effect to the conversion of all outstanding convertible securities of the enterprise. In the event of severe financial difficulty that in the judgment of the Authority threatens the investment of the Authority therein, a greater percentage of those securities may be owned or acquired by the Authority.

Section 810-30. Investment in Pools of Funds. Proposals for the establishment of pools of funds under paragraph (b) of Section 810-20 of this Act shall be submitted on a form, contain the information, and be accompanied by a fee as prescribed by the Authority. The Authority shall not enter into any agreement or contract under paragraph (b) of Section 810-20 of this Act unless the agreement or contract provides that the pool of funds will be invested in an enterprise only if the manager finds all of the following:

- (a) The enterprise has a reasonable chance of success.
- (b) The technology, product, process, or invention for

which the investment is being made is feasible and has the potential to achieve commercial success.

(c) The enterprise has the potential to create substantial employment within the State.

(d) The entrepreneur, investors, shareholders, or founders of the enterprise have made or are obligated to make a substantial commitment of time and funds to the enterprise.

(e) The possible gains in the investment are at least commensurable with the risk of loss and there is a reasonable possibility that the investors, including the Authority, will recoup their investment within 10 years after the investment, through the receipt of interest, dividends, capital gains, or other distributions of profit or royalties.

(f) The enterprise shall have made binding commitments for adequate reporting of and access to financing data of the enterprise.

Section 810-35. Documentary materials concerning trade secrets; Commercial or financial information; Confidentiality. Any documentary materials or data made or received by any member, agent or employee of the Authority, to the extent that such material or data consist of trade secrets, commercial or financial information regarding the operation of any enterprise conducted by an applicant for, or recipient of, any form of assistance which the Authority is empowered to render, or regarding the competitive position of such enterprise in a particular field of endeavor, shall not be deemed public records; provided, however, that if the Authority purchases a qualified security from such enterprise, the commercial and financial information, excluding trade secrets, shall be deemed to become a public record of the Authority after the expiration of 3 years from the date of purchase of such qualified security, or, in the case of such information made or received by any member,

agent or employee of the Authority after the purchase of such qualified security, 3 years from the date such information was made or received. Any discussion or consideration of such trade secrets or commercial or financial information may be held by the Authority, in executive sessions closed to the public, notwithstanding the provisions of the Open Meetings Act; provided, however, that the purpose of any such executive session shall be set forth in the official minutes of the Authority and business which is not related to such purpose shall not be transacted, nor shall any vote be taken during such executive sessions.

Section 810-40. Tax Exemption. The Illinois Venture Investment Fund and all its proceeds shall be and are hereby declared exempt from all franchise and income taxes levied by the State, provided nothing herein shall be construed to exempt from any such taxes, or from any taxes levied in connection with the manufacture, production, use or sale of any technologies, products, processes or inventions which are the subject of any agreement earned by any enterprise in which the Authority has invested.

ARTICLE 815

LAND BANK FUND

Section 815-5. Findings and Declaration of Policy. It is hereby found and declared that there exists within the State a condition of substantial and persistent unemployment which is detrimental to the welfare of the people of the State; that the absence of an orderly conversion and development of certain property results in blight, economic dislocation, and additional unemployment; that there exists within the State a significant resource of underutilized property which, if returned to productive economic use, will increase

employment, increase revenues for the State and units of local government, and lead to a more stable economy; that the acquisition, development or disposition of such land or property in conjunction with units of local government, local industrial development agencies and private enterprise in accordance with development plans will stimulate economic development within the State; that the establishment of the Illinois Land Bank Fund and the exercise by the Authority of the powers granted in this Article will promote economic development resulting in increased employment and public revenues; and that the provisions of this Act are hereby declared to be in the public interest and benefit and a valid public purpose.

Section 815-10. Definitions. The following terms, whenever used or referred to in this Article, shall have the following meanings ascribed to them, except where the context clearly requires otherwise:

(a) "Property" means land, parcels or combination of parcels, structures, and all improvements, easements and franchises;

(b) "Redevelopment area" means any property which is a contiguous area of at least 2 acres but less than 160 acres in the aggregate located within one and one-half miles of the corporate limits of a municipality and not included within any municipality, where, (1) if improved, a substantial proportion of the industrial, commercial and residential buildings or improvements are detrimental to the public safety, health, morals or welfare because of a combination of any of the following factors: age; physical configuration; dilapidation; structural or economic obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive and sustained vacancies; overcrowding of structures and community

facilities; inadequate ventilation, light, sewer, water, transportation and other infrastructure facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation or lack of physical maintenance; and lack of community planning; or (2) if vacant, the sound utilization of land for industrial projects is impaired by a combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; and deterioration of structures or site improvements in neighboring areas to the vacant land, or the area immediately prior to becoming vacant qualified as a redevelopment improved area; or (3) if an improved area within the boundaries of a development project is located within the corporate limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more, such area does not qualify under clause (1) but is detrimental to the public safety, health, morals or welfare and such area may become a redevelopment area pursuant to clause (1) because of a combination of 3 or more of the factors specified in clause (1).

(c) "Enterprise" means an individual, corporation, partnership, joint venture, trust, estate or unincorporated association;

(d) "Development plan" means the comprehensive program of the Authority and the participating entity to reduce or eliminate those conditions the existence of which qualified the project area as a redevelopment area. Each development plan shall set forth in writing the program to be undertaken to accomplish such objectives and shall include, without limitation, estimated development project costs, the sources of funds to pay costs, the nature and term of any obligations to be issued, the most recent equalized assessed valuation of the project area, an estimate as to the equalized assessed

valuation after development and the general land uses to apply in the project area.

(e) "Development project" means any project in furtherance of the objectives of a development plan, including any building or buildings or building addition or other structures to be newly constructed, renovated or improved and suitable for use by an enterprise as an industrial project, and includes the sites and other rights in the property on which such buildings or structures are located.

(f) "Participating entity" means a municipality, a local industrial development agency or an enterprise or any combination thereof.

Section 815-15. Illinois Land Bank Fund; Creation; Use. There is hereby created the Illinois Land Bank Fund, hereafter referred to in Sections 815-15 through 815-30 of this Act as the "Fund". The Treasurer of the Authority shall have custody of the Fund, which shall be held outside of the State treasury. The Authority is authorized to accept any and all grants, loans, subsidies, matching funds, reimbursements, appropriations, transfers of appropriations, federal grant monies, income derived from investments, or other things of value from the federal or state governments or units of local government or any agency thereof or from an enterprise for deposit in the Fund. The Authority is authorized to use monies deposited in the Fund expressly for the purposes specified in and according to the procedures established by Sections 815-20 through 815-30 of this Act.

Section 815-20. Powers and Duties.

(a) The Authority shall have the following powers with respect to redevelopment areas:

(1) To acquire and possess property in a

redevelopment area;

(2) To clear any such areas so acquired by demolition of existing structures and buildings and to make necessary improvements to the property essential to its reuse in conformity with a development plan; and

(3) To convey property for use in accordance with a development plan.

(b) Before acquiring property under this Section the Authority shall hold a public hearing after notice published in a newspaper of general circulation in the county in which the property is located and shall find:

(1) The property is in a redevelopment area;

(2) Such acquisition or possession is necessary or reasonably required to retain existing enterprises or attract new enterprises and to promote sound economic growth and to carry out the purposes of Section 815-5 through 815-30 of this Act;

(3) The assembly of property is not unduly competitive with similar assemblies by private enterprise in the area or surrounding areas; and

(4) The participating entity, without the involvement of the Authority, would be unlikely, unwilling or unable to undertake such redevelopment of the property as was necessary for economic development.

(c) No property may be acquired by the Authority unless the acquisition is consented to by resolution of the corporate authorities of the municipality with jurisdiction over the property under Section 11-12-6 of the Municipal Code.

(d) The Authority may acquire any interest in property in a redevelopment area by purchase, lease, or gift, but shall not have the power of condemnation.

(e) No property shall be acquired under this Section unless the Authority has adopted a development plan under the

provisions of Section 815-25.

Section 815-25. Development Plans.

(a) No development plan shall be approved by the Authority unless after a public hearing held upon notice published in a newspaper of general circulation in the county where the property is located, the Authority finds:

(1) The plan provides for projects which will reduce unemployment;

(2) The redevelopment area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the development plan;

(3) The corporate authorities of the municipality with jurisdiction over the property under Section 11-12-6 of the Municipal Code have by resolution found that the development plan conforms to the comprehensive plan of the municipality;

(4) A participating entity has agreed to enter into such contracts and other agreements as are necessary to acquire, redevelop and improve the property in accordance with the development plan;

(5) The acquisition of the property, its possession and ultimate use according to the development plan can be financed by participating entities and the Authority and the development plan will be completed and all obligations of the Authority incurred in connection with the redevelopment plan will be retired within 20 years from the Authority's approval of the development plan; and

(6) The development plan meets such other requirements as the Authority may establish by rule.

(b) The Authority may dispose of any property which is

the subject of a development plan in such manner, whether by sale, lease or otherwise, and for such price, rental or other consideration, including an amount not less than 2/3 of its acquisition cost, payable over such term, and bearing interest as to deferred payments, and secured in such manner, by mortgage or otherwise, all as the Authority shall provide in the development plan.

(c) Pending disposition of such land, any existing property acquired by the Authority in the course of carrying out the provisions of this Act may be adequately and properly preserved, and may be maintained, leased or administered by the Authority by a contract made by the Authority with any participating entity, enterprise or individual with experience in the area of property development, management or administration.

(d) Whenever the Authority shall have approved a development plan, the Authority may amend the development plan from time to time in conformity with this Section.

Section 815-30. Local Planning; Relocation Costs. The Authority may arrange or contract with a municipality or municipalities for the planning, re-planning, opening, grading or closing of streets, roads, alleys or other places or for the furnishing of facilities or for the acquisition by the municipality or municipalities of property or property rights or for the furnishing of property or services in connection with a development project or projects. The Authority is hereby authorized to pay the reasonable relocation costs, up to a total of \$25,000 per relocatee, of persons and businesses displaced as a result of carrying out a development plan as authorized by this Article.

ARTICLE 820

LOCAL GOVERNMENT

Section 820-5. Findings and Declaration of Policy. It is hereby found and declared that there exists an urgent need to upgrade and expand the capital facilities, infrastructure and public purpose projects of units of local government and to promote other public purposes to be carried out by units of local government; that federal funding reductions combined with shifting economic conditions have impeded efforts by units of local governments to provide the necessary improvements to their capital facilities, infrastructure systems and public purpose projects and to accomplish other public purposes in recent years; that adequate and well-maintained capital facilities, infrastructure systems and public purpose projects throughout this State and the performance of other public purposes by units of local government throughout this State can offer significant economic benefits and an improved quality of life for all citizens of this State; that the exercise by the Authority of the powers granted in this Article will promote economic development by enhancing the capital stock of units of local governments and will facilitate the accomplishment of other public purposes by units of local government; that authorizing the Authority to borrow money in the public and private capital markets in order to provide money to purchase or otherwise acquire obligations of units of local government will assist such units of local government in borrowing money to finance and refinance the public purpose projects, capital facilities and infrastructure of the units and to finance other public purposes of such units of local government, in providing access to adequate capital markets and facilities for borrowing money by such units of local government, in encouraging continued investor interest in the obligations of such units of local government, in providing for the orderly marketing of the obligations of such units of local government, and in achieving lower overall borrowing cost and

more favorable terms for such borrowing; and that the provisions of this Article are hereby declared to be in the public interest and for the public benefit.

Section 820-10. Definitions. The following words or terms, whenever used or referred to in this Article, shall have the following meanings ascribed to them, except where the context clearly requires otherwise:

(a) "Department" means the Illinois Department of Commerce and Economic Opportunity.

(b) "Unit of local government" means any unit of local government, as defined in Article VII, Section 1 of the 1970 State Constitution and any local public entity as that term is defined by the Local Governmental and Governmental Employees Tort Immunity Act and also includes the State and any instrumentality, office, officer, department, division, bureau, commission, college or university thereof.

(c) "Energy conservation project" means any improvement, repair, alteration or betterment of any building or facility or any equipment, fixture or furnishing including its energy using mechanical devices to be added to or used in any building or facility that the Director of the Department has certified to the Authority will be a cost-effective energy-related project that will lower energy or utility costs in connection with the operation or maintenance of such building or facility, and will achieve energy cost savings sufficient to cover bond debt service and other project costs within 10 years from the date of project installation.

Section 820-15. Creation of Reserve Funds. The Authority may establish and maintain one or more reserve funds in which there may be one or more accounts in which there may be deposited:

(a) Any proceeds of bonds issued by the Authority

required to be deposited therein by the terms of any contract between the Authority and its bondholders or any resolution of the Authority;

(b) Any other moneys or funds of the Authority which it may determine to deposit therein from any other source; and

(c) Any other moneys or funds made available to the Authority, including without limitation any proceeds of any local government security or any taxes or revenues, rates, charges, assessments, grants, or other funds pledged or assigned to pay, repay or secure any local government security. Subject to the terms of any pledge to the owners of any bond, moneys in any reserve fund may be held and applied to the payment of the interest, premium, if any, or principal of bonds or local government securities or for any other purpose authorized by the Authority.

Section 820-20. Powers and Duties; Illinois Local Government Financing Assistance Program. The Authority has the power:

(a) To purchase from time to time pursuant to negotiated sale or to otherwise acquire from time to time any local government securities issued by one or more units of local government upon such terms and conditions as the Authority may prescribe;

(b) To issue bonds in one or more series pursuant to one or more resolutions of the Authority for any purpose authorized under this Article, including without limitation purchasing or acquiring local government securities, providing for the payment of any interest deemed necessary on such bonds, paying for the cost of issuance of such bonds, providing for the payment of the cost of any guarantees, letters of credit, insurance contracts or other similar credit support or liquidity instruments, or providing for the funding of any reserves deemed necessary in connection with

such bonds and refunding or advance refunding of any such bonds and the interest and any premium thereon, pursuant to this Act;

(c) To provide for the funding of any reserves or other funds or accounts deemed necessary by the Authority in connection with any bonds issued by the Authority or local government securities purchased or otherwise acquired by the Authority;

(d) To pledge any local government security, including any payments thereon, and any other funds of the Authority or funds made available to the Authority which may be applied to such purpose, as security for any bonds or any guarantees, letters of credit, insurance contracts or similar credit support or liquidity instruments securing the bonds;

(e) To enter into agreements or contracts with third parties, whether public or private, including without limitation the United States of America, the State, or any department or agency thereof to obtain any appropriations, grants, loans or guarantees which are deemed necessary or desirable by the Authority. Any such guarantee, agreement or contract may contain terms and provisions necessary or desirable in connection with the program, subject to the requirements established by this Article;

(f) To charge reasonable fees to defray the cost of obtaining letters of credit, insurance contracts or other similar documents, and to charge such other reasonable fees to defray the cost of trustees, depositories, paying agents, bond registrars, escrow agents and other administrative expenses. Any such fees shall be payable by units of local government whose local government securities are purchased or otherwise acquired by the Authority pursuant to this Article, in such amounts and at such times as the Authority shall determine, and the amount of the fees need not be uniform among the various units of local government whose local

government securities are purchased or otherwise acquired by the Authority pursuant to this Article;

(g) To obtain and maintain guarantees, letters of credit, insurance contracts or similar credit support or liquidity instruments which are deemed necessary or desirable in connection with any bonds or other obligations of the Authority or any local government securities;

(h) To establish application fees and other service fees and prescribe application, notification, contract, agreement, security and insurance forms and rules and regulations it deems necessary or appropriate;

(i) To provide technical assistance, at the request of any unit of local government, with respect to the financing or refinancing for any public purpose. In fulfillment of this purpose, the Authority may request assistance from the Department as necessary; any unit of local government that is experiencing either a financial emergency as defined in the Local Government Financial Planning and Supervision Act or a condition of fiscal crisis evidenced by an impaired ability to obtain financing for its public purpose projects from traditional financial channels or impaired ability to fully fund its obligations to fire, police and municipal employee pension funds, or to bond payments or reserves, may request technical assistance from the Authority in the form of a diagnostic evaluation of its financial condition;

(j) To purchase any obligations of the Authority issued pursuant to this Article;

(k) To sell, transfer or otherwise dispose of local government securities purchased or otherwise acquired by the Authority pursuant to this Article, including without limitation, the sale, transfer or other disposition of undivided fractionalized interests in the right to receive payments of principal and premium, if any, or the right to receive payments of interest or the right to receive payments

of principal of and premium, if any, and interest on pools of such local government securities;

(l) To acquire, purchase, lease, sell, transfer and otherwise dispose of real and personal property, or any interest therein, and to issue its bonds and enter into leases, contracts and other agreements with units of local government in connection with such acquisitions, purchases, leases, sales and other dispositions of such real and personal property;

(m) To make loans to banks, savings and loans and other financial institutions for the purpose of purchasing or otherwise acquiring local government securities, and to issue its bonds, and enter into agreements and contracts in connection with such loans;

(n) To enter into agreements or contracts with any person necessary or appropriate to place the payment obligations of the Authority under any of its bonds in whole or in part on any interest rate basis, cash flow basis, or other basis desired by the Authority, including without limitation agreements or contracts commonly known as "interest rate swap agreements", "forward payment conversion agreements", and "futures", or agreements or contracts to exchange cash flows or a series of payments, or agreements or contracts, including without limitation agreements or contracts commonly known as "options", "puts" or "calls", to hedge payment, rate spread, or similar exposure; provided, that any such agreement or contract shall not constitute an obligation for borrowed money, and shall not be taken into account under Section 845-5 of this Act or any other debt limit of the Authority or the State of Illinois;

(o) To make and enter into all other agreements and contracts and execute all instruments necessary or incidental to performance of its duties and the execution of its powers under this Article;

(p) To contract for and finance the costs of energy audits, project-specific engineering and design specifications, and any other related analyses preliminary to an energy conservation project; and, to contract for and finance the cost of project monitoring and data collection to verify post-installation energy consumption and energy-related operating costs. Any such contract shall be executed only after it has been jointly negotiated by the Authority and the Department; and

(q) To exercise such other powers as are necessary or incidental to the foregoing.

Section 820-25. Unit of Local Government Participation. Any unit of local government is authorized to voluntarily participate in this program. Any unit of local government which is authorized to issue, sell and deliver its local government securities under any provision of the Constitution or laws of the State may issue, sell and deliver such local government securities to the Authority under this Article; provided that and notwithstanding any other provision of law to the contrary, any such unit of local government may issue and sell any such local government security at any interest rate or rates, which rate or rates may be established by an index or formula which may be implemented by persons appointed or retained therefor, payable at such time or times, and at such price or prices to which the unit of local government and the Authority may agree. Any unit of local government may pay any amount charged by the Authority pursuant to this Article. Any unit of local government participating in this program may pay out of the proceeds of its local government securities or out of any other moneys or funds available to it for such purposes any costs, fees, interest deemed necessary, premium or reserves incurred or required for financing or refinancing this program, including

without limitation any fees charged by the Authority pursuant to this Article and its share, as determined by the Authority, of any costs, fees, interest deemed necessary, premium or reserves incurred or required pursuant to Section 820-20 of this Act. All local government securities purchased or otherwise acquired by the Authority pursuant to this Act shall upon delivery to the Authority be accompanied by an approving opinion of bond counsel as to the validity of such securities. The Authority shall have discretion to purchase or otherwise acquire those local government securities, as it shall deem to be in the best interest of its financing program for all units of local government taken as a whole.

Section 820-30. Criteria for Participation in the Program. If the Authority requires an application for participation in the Program, upon submission of any such application, the Authority or any entity on behalf of the Authority shall review such application for its completeness and may, at its discretion, accept or reject such application or request such additional information as it deems necessary or advisable to aid its review. In the course of its review, the Authority may consider but shall not be limited to the following factors:

(a) Whether the public purpose for which the local government security is to be issued will have a significant impact on the economy, environment, health or safety of the unit of local government;

(b) The extent to which the public purpose for which the local government security is to be issued will provide reinforcement for other community and economic development related investments by such units of local government;

(c) The creditworthiness of the unit of local government and the local government security, including, without limitation, the ability of the unit of local government to

comply with the credit requirements of the provider of any guarantees, letters of credit, insurance contracts or other similar credit support or liquidity instruments; and

(d) Such other factors as deemed necessary by the Authority which are consistent with the intent of this Act.

Section 820-35. The Authority shall assist the Department to establish and implement a program to assist units of local government to identify and arrange financing for energy conservation projects in buildings and facilities owned or leased by units of local government. Such bonds shall not constitute an indebtedness or obligation of the State of Illinois and it shall be plainly stated on the face of each bond that it does not constitute such an indebtedness or obligation but is payable solely from the revenues, income or other assets of the Authority pledged therefor.

Section 820-40. Investment of Moneys. Any moneys at any time held by the Authority pursuant to this Article shall be held outside the State treasury in the custody of either the Treasurer of the Authority or a trustee or depository appointed by the Authority. Such moneys may be invested in (a) investments authorized by the Public Funds Investment Act, (b) obligations issued by any State, unit of local government or school district, which obligations are rated at the time of purchase by a national rating service within the 2 highest rating classifications without regard to any rating refinement or gradation by numerical or other modifier, (c) equity securities of an investment company registered under the Investment Company Act of 1940 whose sole assets, other than cash and other temporary investments, are obligations which are eligible investments for the Authority, or (d) investment contracts under which securities are to be purchased and sold at a predetermined price on a future date,

or pursuant to which moneys are deposited with a bank or other financial institution and the deposits are to bear interest at an agreed upon rate, provided that such investment contracts are with a bank or other financial institution whose obligations are rated at the time of purchase by a national rating service within the 2 highest rating classifications without regard to any rating refinement or gradation by numerical or other modifier. The interest, dividends or other earnings from such investments may be used to pay administrative costs of the Authority incurred in administering the program or trustee or depository fees incurred in connection with such program.

Section 820-45. Pledge of Revenues by the Authority. Any pledge of revenues or other moneys made by the Authority shall be binding from the time the pledge is made. Revenues and other moneys so pledged shall be held outside of the State treasury and in the custody of either the Treasurer of the Authority or a trustee or a depository appointed by the Authority. Revenues or other moneys so pledged and thereafter received by the Authority or such trustee or depository shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of any pledge shall be binding against all parties having claims of any kind of tort, contract or otherwise against the Authority, irrespective of whether the parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be filed or recorded except in the records of the Authority. The State does pledge to and agree with the holders of bonds, and the beneficial owners of the local government securities, that the State will not limit or restrict the rights hereby vested in the Authority to purchase, acquire, hold, sell or dispose of local government securities or other investments or to establish

and collect such fees or other charges as may be convenient or necessary to produce sufficient revenues to meet the expenses of operation of the Authority, and to fulfill the terms of any agreement made with the holders of the bonds or the beneficial owners of the local government securities or in any way impair the rights or remedies of the holders of those bonds or the beneficial owners of the local government securities until such bonds or local government securities are fully paid and discharged or provision for their payment has been made.

Section 820-50. Pledge of Funds by Units of Local Government.

(a) Pledge of Funds. Any unit of local government which receives funds from the Department of Revenue, including without limitation funds received pursuant to Sections 8-11-1, 8-11-1.4, 8-11-5 or 8-11-6 of the Illinois Municipal Code, the Home Rule County Retailers' Occupation Tax Act, the Home Rule County Service Occupation Tax Act, Sections 25.05-2, 25.05-3 or 25.05-10 of "An Act to revise the law in relation to counties", Section 5.01 of the Local Mass Transit District Act, Section 4.03 of the Regional Transportation Authority Act, Sections 2 or 12 of the State Revenue Sharing Act, or from the Department of Transportation pursuant to Section 8 of the Motor Fuel Tax Law, or from the State Superintendent of Education (directly or indirectly through regional superintendents of schools) pursuant to Article 18 of the School Code, or any unit of government which receives other funds which are at any time in the custody of the State Treasurer, the State Comptroller, the Department of Revenue, the Department of Transportation or the State Superintendent of Education may by appropriate proceedings, pledge to the Authority or any entity acting on behalf of the Authority (including, without limitation, any trustee), any or all of

such receipts to the extent that such receipts are necessary to provide revenues to pay the principal of, premium, if any, and interest on, and other fees related to, or to secure, any of the local government securities of such unit of local government which have been sold or delivered to the Authority or its designee or to pay lease rental payments to be made by such unit of local government to the extent that such lease rental payments secure the payment of the principal of, premium, if any, and interest on, and other fees related to, any local government securities which have been sold or delivered to the Authority or its designee. Any pledge of such receipts (or any portion thereof) shall constitute a first and prior lien thereon and shall be binding from the time the pledge is made.

(b) Direct Payment of Pledged Receipts. Any such unit of local government may, by such proceedings, direct that all or any of such pledged receipts payable to such unit of local government be paid directly to the Authority or such other entity (including, without limitation, any trustee) for the purpose of paying the principal of, premium, if any, and interest on, and fees relating to, such local government securities or for the purpose of paying such lease rental payments to the extent necessary to pay the principal of, premium, if any, and interest on, and other fees related to, such local government securities secured by such lease rental payments. Upon receipt of a certified copy of such proceedings by the State Treasurer, the State Comptroller, the Department of Revenue, the Department of Transportation or the State Superintendent of Education, as the case may be, such Department or State Superintendent shall direct the State Comptroller and State Treasurer to pay to, or on behalf of, the Authority or such other entity (including, without limitation, any trustee) all or such portion of the pledged receipts from the Department of Revenue, or the Department of

Transportation or the State Superintendent of Education (directly or indirectly through regional superintendents of schools), as the case may be, sufficient to pay the principal of and premium, if any, and interest on, and other fees related to, the local governmental securities for which the pledge was made or to pay such lease rental payments securing such local government securities for which the pledge was made. The proceedings shall constitute authorization for such a directive to the State Comptroller to cause orders to be drawn and to the State Treasurer to pay in accordance with such directive. To the extent that the Authority or its designee notifies the Department of Revenue, the Department of Transportation or the State Superintendent of Education, as the case may be, that the unit of local government has previously paid to the Authority or its designee the amount of any principal, premium, interest and fees payable from such pledged receipts, the State Comptroller shall cause orders to be drawn and the State Treasurer shall pay such pledged receipts to the unit of local government as if they were not pledged receipts. To the extent that such receipts are pledged and paid to the Authority or such other entity, any taxes which have been levied or fees or charges assessed pursuant to law on account of the issuance of such local government securities shall be paid to the unit of local government and may be used for the purposes for which the pledged receipts would have been used.

(c) Payment of Pledged Receipts upon Default. Any such unit of local government may, by such proceedings, direct that such pledged receipts payable to such unit of local government be paid to the Authority or such other entity (including, without limitation, any trustee) upon a default in the payment of any principal of, premium, if any, or interest on, or fees relating to, any of the local government securities of such unit of local government which have been

sold or delivered to the Authority or its designee or any of the local government securities which have been sold or delivered to the Authority or its designee and which are secured by such lease rental payments. If such local governmental security is in default as to the payment of principal thereof, premium, if any, or interest thereon, or fees relating thereto, to the extent that the State Treasurer, the State Comptroller, the Department of Revenue, the Department of Transportation or the State Superintendent of Education (directly or indirectly through regional superintendents of schools) shall be the custodian at any time of any other available funds or moneys pledged to the payment of such local government securities or such lease rental payments securing such local government securities pursuant to this Section and due or payable to such a unit of local government at any time subsequent to written notice to the State Comptroller and State Treasurer from the Authority or any entity acting on behalf of the Authority (including, without limitation, any trustee) to the effect that such unit of local government has not paid or is in default as to payment of the principal of, premium, if any, or interest on, or fees relating to, any local government security sold or delivered to the Authority or any such entity (including, without limitation, any trustee) or has not paid or is in default as to the payment of such lease rental payments securing the payment of the principal of, premium, if any, or interest on, or other fees relating to, any local government security sold or delivered to the Authority or such other entity (including, without limitation, any trustee):

(i) The State Comptroller and the State Treasurer shall withhold the payment of such funds or moneys from such unit of local government until the amount of such principal, premium, if any, interest or fees then due and unpaid has been paid to the Authority or any such entity

(including, without limitation, any trustee), or the State Comptroller and the State Treasurer have been advised that arrangements, satisfactory to the Authority or such entity, have been made for the payment of such principal, premium, if any, interest and fees; and

(ii) Within 10 days after a demand for payment by the Authority or such entity given to such unit of local government, the State Treasurer and the State Comptroller, the State Treasurer shall pay such funds or moneys as are legally available therefor to the Authority or such entity for the payment of principal of, premium, if any, or interest on, or fees relating to, such local government securities. The Authority or any such entity may carry out this Section and exercise all the rights, remedies and provisions provided or referred to in this Section.

(d) Remedies. Upon the sale or delivery of any local government securities of the Authority or its designee, the local government which issued such local government securities shall be deemed to have agreed that upon its failure to pay interest or premium, if any, on, or principal of, or fees relating to, the local government securities sold or delivered to the Authority or any entity acting on behalf of the Authority (including, without limitation, any trustee) when payable, all statutory defenses to nonpayment are thereby waived. Upon a default in payment of principal of or interest on any local government securities issued by a unit of local government and sold or delivered to the Authority or its designee, and upon demand on the unit of local government for payment, if the local government securities are payable from property taxes and funds are not legally available in the treasury of the unit of local government to make payment, an action in mandamus for the levy of a tax by the unit of local government to pay the principal of or interest on the

local government securities shall lie, and the Authority or such entity shall be constituted a holder or owner of the local government securities as being in default. Upon the occurrence of any failure or default with respect to any local government securities issued by a unit of local government, the Authority or such entity may thereupon avail itself of all remedies, rights and provisions of law applicable in the circumstances, and the failure to exercise or exert any rights or remedies within a time or period provided by law may not be raised as a defense by the unit of local government.

Section 820-55. Eligible Investments. Bonds, issued by the Authority pursuant to the provisions of this Article, shall be permissible investments within the provisions of Section 805-40 of this Act.

Section 820-60. Tax Exemption. The exercise of powers granted in this Article is in all respects for the benefit of the people of Illinois and in consideration thereof the bonds issued pursuant to the aforementioned Sections and the income therefrom shall be free from all taxation by the State or its political subdivisions, except for estate, transfer and inheritance taxes. For purposes of Section 250 of the Illinois Income Tax Act, the exemption of the income from bonds issued under the aforementioned Sections shall terminate after all of the bonds have been paid. The amount of such income that shall be added and then subtracted on the Illinois income tax return of a taxpayer, pursuant to Section 203 of the Illinois Income Tax Act, from federal adjusted gross income or federal taxable income in computing Illinois base income shall be the interest net of any bond premium amortization.

ARTICLE 825

OTHER POWERS

Section 825-5. Motion Picture Production Program; Findings and Declaration of Policy. It is hereby found and declared that the production of motion pictures has an enormous potential for contributing to the economic well-being of the State and its communities; that a critical mass of movie productions is essential to the continuing viability of this fledgling industry in Illinois; that to achieve this critical mass, a financial inducement to attract movie productions to the State is required; and that the provisions of this Act are hereby declared to be in the public interest and for the public benefit.

Section 825-10. The Authority may develop a program for financing the production of motion pictures in the State of Illinois. All projects financed by the Authority shall require the approval of both the Illinois Arts Council and the Authority.

Section 825-15. Credit Enhancement Development Fund.

(a) There is hereby created the Credit Enhancement Development Fund in the Authority. The Treasurer shall have custody of the fund, which shall be held outside the State treasury. Custody may be transferred to and held by any fiduciary with whom the Authority executes a trust agreement. All or any portion of such amounts may be used (i) to pay principal, interest and premium, if any, on any bonds issued by the Authority or to fund any reserves or accounts created for such purpose, (ii) to pay the cost of any letter of credit, insurance or third party guarantee provided with respect to any bond issued by the Authority or loan made by the Authority, (iii) to guarantee or otherwise enhance the

credit of any bond issued by the Authority or loan made by the Authority, or (iv) to make loans to any person, corporation or unit of local government for any project authorized to be financed by the Authority under this Act.

(b) The Authority shall report to the Governor and the General Assembly no later than June 1, 2004, on the extent to which its use of monies in this Fund has enhanced the creditworthiness of its bonds issued or loans made with respect to any person, thereby reducing the cost of financing projects authorized by this Act.

Section 825-20. Financially Distressed City Assistance Program; Findings and Declarations of Policy. It is hereby found and declared that there exists an urgent need to reduce involuntary unemployment and economic stagnation within financially distressed cities and to create therein a more favorable economic climate for the development of new and improved employment opportunities for the citizens of such cities; that to address such need it is necessary to promote sound financial management and fiscal integrity within such cities in order to provide a secure financial basis for their continued operation; and that implementation of a financially distressed city assistance program under the provisions of this Act is declared to be in the public interest and for the public benefit.

Section 825-25. Definition. As used in Sections 825-20 through 825-60 of this Act, the term "financially distressed city" means a unit of local government which has been certified and designated as a financially distressed city under Section 8-12-4 of the Illinois Municipal Code and to which the provisions of Division 12 of Article 8 of that Code have become applicable as provided by that Section 8-12-4.

Section 825-30. Powers and Duties; Financing.

(a) Upon application of the financial advisory authority established for a financially distressed city under Division 12 of Article 8 of the Illinois Municipal Code, the Authority shall have the power to issue its bonds, notes or other evidences of indebtedness, the proceeds of which are to be used to make loans to a financially distressed city for purposes of enabling that city to restructure its current indebtedness and to provide and pay for its essential municipal services as determined in a manner consistent with Division 12 of Article 8 of the Illinois Municipal Code by the financial advisory authority established for that city under that Division 12.

(b) Bonds authorized to be issued by the Authority under Sections 825-20 through 825-60 shall be payable from such revenues, income, funds and accounts of the financially distressed city which receives a loan of any proceeds of the bonds so issued as the Authority shall determine and prescribe in the loan agreement.

(c) The Authority may prescribe the form and contents of any application submitted under subsection (a) of this Section and may, at its discretion, accept or reject such application or require such additional information as it deems necessary to aid in its review and determination of whether it will issue its bonds and loan the proceeds thereof as authorized under Sections 825-20 through 825-60.

(d) The amount of bonds issued or proceeds thereof loaned by the Authority with respect to an application which the Authority has approved shall be determined by the Authority.

(e) The financially distressed city receiving a loan under Sections 825-20 through 825-60 shall enter into a loan agreement in the form and manner prescribed by the Authority, and shall pay back to the Authority the principal amount of the loan, plus annual interest as determined by the

Authority. The Authority shall have the power, subject to appropriations by the General Assembly, to subsidize or buy down a portion of the interest on such loans, up to 4% per annum.

(f) The Authority shall create and establish a debt service reserve fund to be maintained by a trustee separate and segregated from all other funds and accounts of the Authority. This reserve fund shall be initially funded by a contribution of State monies.

(g) The amount to be accumulated in the debt service reserve fund shall be determined by the Authority but shall not exceed the maximum amount of interest, principal and sinking fund installments due in any succeeding calendar year.

Section 825-35. Pledge of Funds. Any financially distressed city which receives funds from the Department of Revenue, including without limitation funds received pursuant to Section 8-11-1, 8-11-5 or 8-11-6 of the Illinois Municipal Code or Section 2 or 12 of the State Revenue Sharing Act, or from the Department of Transportation pursuant to Section 8 of the Motor Fuel Tax Law, may, by appropriate proceedings, pledge to the Authority, or any entity acting on behalf of the Authority (including, without limitation, any trustee), any or all of such receipts to the extent that such receipts are determined by the Authority to be necessary to provide revenues to pay or secure the payment of the principal of, premium, if any, and interest on any of the bonds issued on behalf of, or loans made to, the financially distressed city by the Authority under Sections 825-20 through 825-60. The adoption of such proceedings shall constitute a directive to the State Comptroller and State Treasurer to pay to, or on behalf of, the Authority or such other entity (including, without limitation, any trustee) such portion of the pledged

receipts from the Department of Revenue or Department of Transportation, as the case may be, and with the State Comptroller and the State Treasurer. With respect to any bonds issued on behalf of, or loans made to, the financially distressed city by the Authority under Sections 825-20 through 825-60, which are in default in the payment of principal, premium, if any, or interest, to the extent that the State Treasurer, the State Comptroller, the Department of Revenue or the Department of Transportation shall be the custodian at any time of any other available funds or moneys pledged to the payment of such local government securities or such lease rental payments securing such local government securities pursuant to this Section and due or payable to such a unit of local government at any time subsequent to written notice to the State Comptroller and State Treasurer from the Authority or any entity acting on behalf of the Authority (including, without limitation, any trustee) to the effect that such financially distressed city has not paid or is in default as to payment of the principal of, premium, if any, or interest on any bonds issued on behalf of, or loans made to, the financially distressed city by the Authority under Sections 825-20 through 825-60:

(a) The State Comptroller and the State Treasurer shall withhold the payment of such funds or moneys from the financially distressed city until the amount of such principal, premium, if any, and interest then due and unpaid has been paid to the Authority or such entity acting on behalf of the Authority (including, without limitation, any trustee), or the State Comptroller or State Treasurer have been advised that arrangements, satisfactory to the Authority or such entity, have been made for the payment of such principal, premium, if any, and interest; and

(b) Within 10 days after a demand for payment by the Authority or such entity is given to the State Treasurer and

the State Comptroller, the State Treasurer shall pay such funds or moneys as are legally available therefor to the Authority or such entity for the payment of principal, premium, if any, and interest on such bonds or loans. The Authority or such entity may carry out this Section and exercise all the rights, remedies and provisions provided or referred to in this Section.

Section 825-40. Additional security. In the event that the Authority determines that funds pledged, intercepted or otherwise received or to be received by the Authority under Section 825-20 of this Act will not be sufficient for the payment of the principal, premium, if any, and interest during the next State fiscal year on any bonds issued by the Authority under Sections 825-20 through 825-60, the Chairman, as soon as is practicable, shall certify to the Governor the amount required by the Authority to enable it to pay the principal, premium, if any, and interest falling due on such bonds. The Governor shall submit the amount so certified to the General Assembly as soon as practicable, but no later than the end of the current State fiscal year. This paragraph shall not apply to any bonds as to which the Authority shall have determined, in the resolution authorizing their issuance, that this paragraph shall not apply. Whenever the Authority makes such a determination, that fact shall be plainly stated on the face of such bonds and that fact shall also be reported to the Governor. In the event of a withdrawal of moneys from a debt service reserve fund established with respect to any issue or issues of bonds of the Authority to pay principal and interest on those bonds, the Chairman, as soon as practicable, shall certify to the Governor the amount required to restore such reserve funds to the level required in the resolution or indenture securing the bonds. The Governor shall submit the amount so certified

to the General Assembly as soon as practicable, but not later than the end of the current State fiscal year.

Section 825-50. Eligible Investments. Bonds issued by the Authority pursuant to Sections 825-20 through 825-60 shall be permissible investments within the provisions of Section 805-40.

Section 825-55. Tax Exemption. The exercise of the powers granted in Sections 825-20 through 825-60 are in all respects for the benefit of the people of Illinois, and in consideration thereof shall be free from all taxation by the State or its political subdivisions, except for estate, transfer and inheritance taxes. For the purposes of Section 250 of the Illinois Income Tax Act, the exemption of the income from bonds issued under the aforementioned Sections shall terminate after all of the bonds have been paid. The amount of such income that shall be added and then subtracted on the Illinois income tax return of a taxpayer, pursuant to Section 203 of the Illinois Income Tax Act, from federal adjusted gross income or federal taxable income in computing Illinois base income shall be the interest net of any bond premium amortization.

Section 825-60. Financially Distressed City Assistance Program Limitation. In addition to the bonds authorized to be issued under Sections 801-40(w), 825-65(e), 830-25 and 845-5, the Authority may have outstanding at any time, bonds for the purposes enumerated in Sections 825-20 through 825-60 in an aggregate principal amount that shall not exceed \$50,000,000. Such bonds shall not constitute an indebtedness or obligation of the State of Illinois, and it shall be plainly stated on the face of each bond that it does not constitute such an indebtedness or obligation but is payable solely from the

revenues, income or other assets of the Authority pledged therefor.

Section 825-65. Clean Coal and Energy Project Financing.

(a) Findings and declaration of policy. It is hereby found and declared that Illinois has abundant coal resources and, in some areas of Illinois, the demand for power exceeds the generating capacity. Incentives to encourage the construction of coal-fired electric generating plants in Illinois to ensure power generating capacity into the future are in the best interests of all of the citizens of Illinois. The Authority is authorized to issue bonds to help finance Clean Coal and Energy projects pursuant to this Section.

(b) Definition. "Clean Coal and Energy projects" means new electric generating facilities, as defined in Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois, which may include mine-mouth power plants, projects that employ the use of clean coal technology, projects to provide scrubber technology for existing energy generating plants, or projects to provide electric transmission facilities.

(c) Creation of reserve funds. The Authority may establish and maintain one or more reserve funds to enhance bonds issued by the Authority for Clean Coal and Energy projects to develop alternative energy sources, including renewable energy projects, projects to provide scrubber technology for existing energy generating plants or projects to provide electric transmission facilities. There may be one or more accounts in these reserve funds in which there may be deposited:

- (1) any proceeds of the bonds issued by the Authority required to be deposited therein by the terms of any contract between the Authority and its bondholders or any resolution of the Authority;

(2) any other moneys or funds of the Authority that it may determine to deposit therein from any other source; and

(3) any other moneys or funds made available to the Authority. Subject to the terms of any pledge to the owners of any bonds, moneys in any reserve fund may be held and applied to the payment of principal, premium, if any, and interest of such bonds.

(d) Powers and duties. The Authority has the power:

(1) To issue bonds in one or more series pursuant to one or more resolutions of the Authority for any Clean Coal and Energy projects authorized under this Section, within the authorization set forth in subsections (e) and (f).

(2) To provide for the funding of any reserves or other funds or accounts deemed necessary by the Authority in connection with any bonds issued by the Authority.

(3) To pledge any funds of the Authority or funds made available to the Authority that may be applied to such purpose as security for any bonds or any guarantees, letters of credit, insurance contracts or similar credit support or liquidity instruments securing the bonds.

(4) To enter into agreements or contracts with third parties, whether public or private, including, without limitation, the United States of America, the State or any department or agency thereof, to obtain any appropriations, grants, loans or guarantees that are deemed necessary or desirable by the Authority. Any such guarantee, agreement or contract may contain terms and provisions necessary or desirable in connection with the program, subject to the requirements established by the Act.

(5) To exercise such other powers as are necessary or incidental to the foregoing.

(e) Clean Coal and Energy bond authorization and financing limits. In addition to any other bonds authorized to be issued under Sections 801-40(w), 825-60, 830-25 and 845-5, the Authority may have outstanding, at any time, bonds for the purpose enumerated in this Section 825-65 in an aggregate principal amount that shall not exceed \$2,700,000,000, of which no more than \$300,000,000 may be issued to finance transmission facilities, no more than \$500,000,000 may be issued to finance scrubbers at existing generating plants, no more than \$500,000,000 may be issued to finance alternative energy sources, including renewable energy projects and no more than \$1,400,000,000 may be issued to finance new electric generating facilities, as defined in Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois, which may include mine-mouth power plants. An application for a loan financed from bond proceeds from a borrower or its affiliates for a Clean Coal and Energy project may not be approved by the Authority for an amount in excess of \$450,000,000 for any borrower or its affiliates. These bonds shall not constitute an indebtedness or obligation of the State of Illinois and it shall be plainly stated on the face of each bond that it does not constitute an indebtedness or obligation of the State of Illinois, but is payable solely from the revenues, income or other assets of the Authority pledged therefor.

(f) Additional Clean Coal and Energy bond authorization and financing limits. In addition to any other bonds authorized to be issued under this Act, the Authority may issue bonds for the purpose enumerated in this Section 825-65 in an aggregate principal amount that shall not exceed \$300,000,000.

Section 825-70. Criteria for participation in the

program. Applications to the Authority for financing of any Clean Coal and Energy project shall be reviewed by the Authority. Upon submission of any such application, the Authority staff shall review the application for its completeness and may, at the discretion of the Authority staff, request such additional information as it deems necessary or advisable to aid in review. If the Authority receives applications for financing for Clean Coal and Energy projects in excess of the bond authorization available for such financing at any one time, it shall consider applications in the order of priority as it shall determine, in consultation with other State agencies.

Section 825-75. Additional Security. In the event that the Authority determines that monies of the Authority will not be sufficient for the payment of the principal of and interest on any bonds issued by the Authority under Sections 825-65 through 825-75 of this Act for energy generation projects that advance clean coal technology and the use of Illinois coal during the next State fiscal year, the Chairperson, as soon as practicable, shall certify to the Governor the amount required by the Authority to enable it to pay such principal, premium, if any, and interest on such bonds. The Governor shall submit the amount so certified to the General Assembly as soon as practicable, but no later than the end of the current State fiscal year. This subsection shall not apply to any bonds or notes as to which the Authority shall have determined, in the resolution authorizing the issuance of the bonds or notes, that this subsection shall not apply. Whenever the Authority makes such a determination, that fact shall be plainly stated on the face of the bonds or notes and that fact should also be reported to the Governor. In the event of a withdrawal of moneys from a reserve fund established with respect to any

issue or issues of bonds of the Authority to pay principal, premium, if any, and interest on such bonds, the Chairman of the Authority, as soon as practicable, shall certify to the Governor the amount required to restore the reserve fund to the level required in the resolution or indenture securing those bonds. The Governor shall submit the amount so certified to the General Assembly as soon as practicable, but no later than the end of the current State fiscal year. The Authority shall obtain written approval from the Governor for any bonds and notes to be issued under this Section.

ARTICLE 830

AGRICULTURAL ASSISTANCE

Section 830-5. The Authority shall have the following powers:

(a) To loan its funds to one or more persons to be used by such persons to pay the costs of acquiring, constructing, reconstructing or improving Agricultural Facilities, soil or water conservation projects or watershed areas, such loans to be on such terms and conditions, and for such period of time, and secured or evidenced by such mortgages, deeds of trust, notes, debentures, bonds or other secured or unsecured evidences of indebtedness of such persons as the Board may determine;

(b) To loan its funds to any agribusiness which operates or will operate a facility located in Illinois for those purposes permitted by rules and regulations issued pursuant to the Internal Revenue Code of 1954, as amended, relating to the use of moneys loaned from the proceeds from the issuance of industrial development revenue bonds; such loans shall be on terms and conditions, and for periods of time, and secured or evidenced by mortgages, deeds of trust, notes, debentures, bonds or other secured or unsecured evidences of indebtedness

of such agribusiness as the Board may require;

(c) To purchase, or to make commitments to purchase, from lenders notes, debentures, bonds or other evidences of indebtedness secured by mortgages, deeds of trust, or security devices, or unsecured, as the Authority may determine, or portions thereof or participations therein, which notes, bonds, or other evidences of indebtedness shall have been or will be executed by the obligors thereon to obtain funds with which to acquire, by purchase, construction, or otherwise, reconstruct or improve Agricultural Facilities;

(d) To contract with lenders or others for the origination of or the servicing of the loans made by the Authority pursuant to this Section or represented by the notes, bonds, or other evidences of indebtedness which it has purchased pursuant to this Section; provided that such servicing fees shall not exceed one percent per annum of the principal amount outstanding owed to the Authority; and

(e) To enter into a State Guarantee with a lender or a person holding a note and to sell or issue such State Guarantees, bonds or evidences of indebtedness in a primary or a secondary market.

Section 830-10. (a) The Authority shall establish a Farm Debt Relief Program to help provide eligible Illinois farmers with State assistance in meeting their farming-related debts.

(b) To be eligible for the program, a person must (1) be actively engaged in farming in this State, (2) have farming-related debts in an amount equal to at least 55% of the person's total assets, and (3) demonstrate that he can secure credit from a conventional lender for the 1986 crop year.

(c) An eligible person may apply to the Authority, in such manner as the Authority may specify, for a one-time farm

debt relief payment of up to 2% of the person's outstanding farming-related debt. If the Authority determines that the applicant is eligible for a payment under this Section, it may then approve a payment to the applicant. Such payment shall consist of a payment made by the Authority directly to one or more of the applicant's farming-related creditors, to be applied to the reduction of the applicant's farming-related debt. The applicant shall be entitled to select the creditor or creditors to receive the payment, unless the applicant is subject to the jurisdiction of a bankruptcy court, in which case the selection of the court shall control.

(d) Payments shall be made from the Farm Emergency Assistance Fund, which is hereby established as a special fund in the State treasury, from funds appropriated to the Authority for that purpose. No grant may exceed the lesser of (1) 2% of the applicant's outstanding farm-related debt, or (2) \$2000. Not more than one grant under this Section may be made to any one person, or to any one household, or to any single farming operation.

(e) Payments to applicants having farming-related debts in an amount equal to at least 55% of the person's total assets, but less than 70%, shall be repaid by the applicant to the Authority for deposit into the Farm Emergency Assistance Fund within five years from the date the payment was made. Repayment shall be made in equal installments during the five-year period with no additional interest charge and may be prepaid in whole or in part at any time. Applicants having farming-related debts in an amount equal to at least 70% of the person's total assets shall not be required to make any repayment. Assets shall include, but not be limited to, the following: cash crops or feed on hand; livestock held for sale; breeding stock; marketable bonds and securities; securities not readily marketable; accounts

receivable; notes receivable; cash invested in growing crops; net cash value of life insurance; machinery and equipment; cars and trucks; farm and other real estate including life estates and personal residence; value of beneficial interests in trusts; government payments or grants; and any other assets. Debts shall include, but not be limited to, the following: accounts payable; notes or other indebtedness owed to any source; taxes; rent; amounts owed on real estate contracts or real estate mortgages; judgments; accrued interest payable; and any other liability.

Section 830-15. Interest-buy-back program.

(a) The Authority shall establish an interest-buy-back program to subsidize the interest cost on certain loans to Illinois farmers.

(b) To be eligible an applicant must (i) be a resident of Illinois; (ii) be a principal operator of a farm or land; (iii) derive at least 50% of annual gross income from farming; and (iv) have a net worth of at least \$10,000. The Authority shall establish minimum and maximum financial requirements, maximum payment amounts, starting and ending dates for the program, and other criteria.

(c) Lenders may apply on behalf of eligible applicants on forms provided by the Authority. Lenders may submit requests for payment on forms provided by the Authority. Lenders and applicants shall be responsible for any fees or charges the Authority may require.

(d) The Authority shall make payments to lenders from available appropriations from the General Revenue Fund.

Section 830-20. The Authority may not pass a resolution authorizing the issuance of any notes or bonds in excess of \$250,000 for any one agricultural real estate borrower. No proceeds from any bonds issued by the Authority shall be

loaned to any natural person who has a net worth in excess of \$500,000 for the purchase of new depreciable agricultural property or to any agribusiness that, including all affiliates and subsidiaries, has more than 100 employees and a gross income exceeding \$2,000,000 for the preceding calendar year; provided, however, that the employee size and gross income limitations shall not apply to any loans to agribusinesses for research and development purposes, and provided further that the Authority shall retain the power to waive such limitations for any agribusiness that, at the time of application, does not operate a facility within this State.

Section 830-25. Bonded indebtedness limitation. The Authority shall not have outstanding at any one time State Guarantees under Section 830-30 in an aggregate principal amount exceeding \$160,000,000. The Authority shall not have outstanding at any one time State Guarantees under Sections 830-35, 830-45 and 830-50 in an aggregate principal amount exceeding \$75,000,000.

Section 830-30. State Guarantees for existing debt.

(a) The Authority is authorized to issue State Guarantees for farmers' existing debts held by a lender. For the purposes of this Section, a farmer shall be a resident of Illinois, who is a principal operator of a farm or land, at least 50% of whose annual gross income is derived from farming and whose debt to asset ratio shall not be less than 40%, except in those cases where the applicant has previously used the guarantee program there shall be no debt to asset ratio or income restriction. For the purposes of this Section, debt to asset ratio shall mean the current outstanding liabilities of the farmer divided by the current outstanding assets of the farmer. The Authority shall

establish the maximum permissible debt to asset ratio based on criteria established by the Authority. Lenders shall apply for the State Guarantees on forms provided by the Authority and certify that the application and any other documents submitted are true and correct. The lender or borrower, or both in combination, shall pay an administrative fee as determined by the Authority. The applicant shall be responsible for paying any fees or charges involved in recording mortgages, releases, financing statements, insurance for secondary market issues and any other similar fees or charges as the Authority may require. The application shall at a minimum contain the farmer's name, address, present credit and financial information, including cash flow statements, financial statements, balance sheets, and any other information pertinent to the application, and the collateral to be used to secure the State Guarantee. In addition, the lender must agree to bring the farmer's debt to a current status at the time the State Guarantee is provided and must also agree to charge a fixed or adjustable interest rate which the Authority determines to be below the market rate of interest generally available to the borrower. If both the lender and applicant agree, the interest rate on the State Guarantee Loan can be converted to a fixed interest rate at any time during the term of the loan. Any State Guarantees provided under this Section (i) shall not exceed \$500,000 per farmer, (ii) shall be set up on a payment schedule not to exceed 30 years, and shall be no longer than 30 years in duration, and (iii) shall be subject to an annual review and renewal by the lender and the Authority; provided that only one such State Guarantee shall be outstanding per farmer at any one time. No State Guarantee shall be revoked by the Authority without a 90-day notice, in writing, to all parties. In those cases where the borrower has not previously used the guarantee program, the lender shall not call due any

loan during the first 3 years for any reason except for lack of performance or insufficient collateral. The lender can review and withdraw or continue with the State Guarantee on an annual basis after the first 3 years of the loan, provided a 90-day notice, in writing, to all parties has been given.

(b) The Authority shall provide or renew a State Guarantee to a lender if:

(i) A fee equal to 25 basis points on the loan is paid to the Authority on an annual basis by the lender.

(ii) The application provides collateral acceptable to the Authority that is at least equal to the State's portion of the Guarantee to be provided.

(iii) The lender assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default.

(iv) The lender is responsible for the first 15% of the outstanding principal of the note for which the State Guarantee has been applied.

(c) There is hereby created outside of the State treasury a special fund to be known as the Illinois Agricultural Loan Guarantee Fund. The State Treasurer shall be custodian of this Fund. Any amounts in the Illinois Agricultural Loan Guarantee Fund not currently needed to meet the obligations of the Fund shall be invested as provided by law, and all interest earned from these investments shall be deposited into the Fund until the Fund reaches the maximum amount authorized in this Act; thereafter, interest earned shall be deposited into the General Revenue Fund. After September 1, 1989, annual investment earnings equal to 1.5% of the Fund shall remain in the Fund to be used for the purposes established in Section 830-40 of this Act. The Authority is authorized to transfer to the Fund such amounts as are necessary to satisfy claims during the duration of the State Guarantee program to secure State Guarantees issued under

this Section. If for any reason the General Assembly fails to make an appropriation sufficient to meet these obligations, this Act shall constitute an irrevocable and continuing appropriation of an amount necessary to secure guarantees as defaults occur and the irrevocable and continuing authority for, and direction to, the State Treasurer and the Comptroller to make the necessary transfers to the Illinois Agricultural Loan Guarantee Fund, as directed by the Governor, out of the General Revenue Fund. Within 30 days after November 15, 1985, the Authority may transfer up to \$7,000,000 from available appropriations into the Illinois Agricultural Loan Guarantee Fund for the purposes of this Act. Thereafter, the Authority may transfer additional amounts into the Illinois Agricultural Loan Guarantee Fund to secure guarantees for defaults as defaults occur. In the event of default by the farmer, the lender shall be entitled to, and the Authority shall direct payment on, the State Guarantee after 90 days of delinquency. All payments by the Authority shall be made from the Illinois Agricultural Loan Guarantee Fund to satisfy claims against the State Guarantee. The Illinois Agricultural Loan Guarantee Fund shall guarantee receipt of payment of the 85% of the principal and interest owed on the State Guarantee Loan by the farmer to the guarantee holder. It shall be the responsibility of the lender to proceed with the collecting and disposing of collateral on the State Guarantee within 14 months of the time the State Guarantee is declared delinquent; provided, however, that the lender shall not collect or dispose of collateral on the State Guarantee without the express written prior approval of the Authority. If the lender does not dispose of the collateral within 14 months, the lender shall be liable to repay to the State interest on the State Guarantee equal to the same rate which the lender charges on the State Guarantee; provided, however, that the Authority

may extend the 14-month period for a lender in the case of bankruptcy or extenuating circumstances. The Fund shall be reimbursed for any amounts paid under this Section upon liquidation of the collateral. The Authority, by resolution of the Board, may borrow sums from the Fund and provide for repayment as soon as may be practical upon receipt of payments of principal and interest by a farmer. Money may be borrowed from the Fund by the Authority for the sole purpose of paying certain interest costs for farmers associated with selling a loan subject to a State Guarantee in a secondary market as may be deemed reasonable and necessary by the Authority.

(d) Notwithstanding the provisions of this Section 830-30 with respect to the farmers and lenders who may obtain State Guarantees, the Authority may promulgate rules establishing the eligibility of farmers and lenders to participate in the State guarantee program and the terms, standards, and procedures that will apply, when the Authority finds that emergency conditions in Illinois agriculture have created the need for State Guarantees pursuant to terms, standards, and procedures other than those specified in this Section.

Section 830-35. State Guarantees for loans to farmers and agribusiness; eligibility.

(a) The Authority is authorized to issue State Guarantees to lenders for loans to eligible farmers and agribusinesses for purposes set forth in this Section. For purposes of this Section, an eligible farmer shall be a resident of Illinois (i) who is principal operator of a farm or land, at least 50% of whose annual gross income is derived from farming, (ii) whose annual total sales of agricultural products, commodities, or livestock exceeds \$20,000, and (iii) whose net worth does not exceed \$500,000. An eligible agribusiness shall be that as defined in Section 801-10 of this Act. The

Authority may approve applications by farmers and agribusinesses that promote diversification of the farm economy of this State through the growth and development of new crops or livestock not customarily grown or produced in this State or that emphasize a vertical integration of grain or livestock produced or raised in this State into a finished agricultural product for consumption or use. "New crops or livestock not customarily grown or produced in this State" shall not include corn, soybeans, wheat, swine, or beef or dairy cattle. "Vertical integration of grain or livestock produced or raised in this State" shall include any new or existing grain or livestock grown or produced in this State. Lenders shall apply for the State Guarantees on forms provided by the Authority, certify that the application and any other documents submitted are true and correct, and pay an administrative fee as determined by the Authority. The applicant shall be responsible for paying any fees or charges involved in recording mortgages, releases, financing statements, insurance for secondary market issues and any other similar fees or charges as the Authority may require. The application shall at a minimum contain the farmer's or agribusiness' name, address, present credit and financial information, including cash flow statements, financial statements, balance sheets, and any other information pertinent to the application, and the collateral to be used to secure the State Guarantee. In addition, the lender must agree to charge an interest rate, which may vary, on the loan that the Authority determines to be below the market rate of interest generally available to the borrower. If both the lender and applicant agree, the interest rate on the State Guarantee Loan can be converted to a fixed interest rate at any time during the term of the loan. Any State Guarantees provided under this Section (i) shall not exceed \$500,000 per farmer or an amount as determined by the Authority on a

case-by-case basis for an agribusiness, (ii) shall not exceed a term of 15 years, and (iii) shall be subject to an annual review and renewal by the lender and the Authority; provided that only one such State Guarantee shall be made per farmer or agribusiness, except that additional State Guarantees may be made for purposes of expansion of projects financed in part by a previously issued State Guarantee. No State Guarantee shall be revoked by the Authority without a 90-day notice, in writing, to all parties. The lender shall not call due any loan for any reason except for lack of performance, insufficient collateral, or maturity. A lender may review and withdraw or continue with a State Guarantee on an annual basis after the first 5 years following closing of the loan application if the loan contract provides for an interest rate that shall not vary. A lender shall not withdraw a State Guarantee if the loan contract provides for an interest rate that may vary, except for reasons set forth herein.

(b) The Authority shall provide or renew a State Guarantee to a lender if:

(i) A fee equal to 25 basis points on the loan is paid to the Authority on an annual basis by the lender.

(ii) The application provides collateral acceptable to the Authority that is at least equal to the State's portion of the Guarantee to be provided.

(iii) The lender assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default.

(iv) The lender is responsible for the first 15% of the outstanding principal of the note for which the State Guarantee has been applied.

(c) There is hereby created outside of the State treasury a special fund to be known as the Illinois Farmer and Agribusiness Loan Guarantee Fund. The State Treasurer shall be custodian of this Fund. Any amounts in the Fund not

currently needed to meet the obligations of the Fund shall be invested as provided by law, and all interest earned from these investments shall be deposited into the Fund until the Fund reaches the maximum amounts authorized in this Act; thereafter, interest earned shall be deposited into the General Revenue Fund. After September 1, 1989, annual investment earnings equal to 1.5% of the Fund shall remain in the Fund to be used for the purposes established in Section 830-40 of this Act. The Authority is authorized to transfer such amounts as are necessary to satisfy claims from available appropriations and from fund balances of the Farm Emergency Assistance Fund as of June 30 of each year to the Illinois Farmer and Agribusiness Loan Guarantee Fund to secure State Guarantees issued under this Section and Sections 830-45 and 830-50. If for any reason the General Assembly fails to make an appropriation sufficient to meet these obligations, this Act shall constitute an irrevocable and continuing appropriation of an amount necessary to secure guarantees as defaults occur and the irrevocable and continuing authority for, and direction to, the State Treasurer and the Comptroller to make the necessary transfers to the Illinois Farmer and Agribusiness Loan Guarantee Fund, as directed by the Governor, out of the General Revenue Fund. In the event of default by the borrower on State Guarantee Loans under this Section, Section 830-45 or Section 830-50, the lender shall be entitled to, and the Authority shall direct payment on, the State Guarantee after 90 days of delinquency. All payments by the Authority shall be made from the Illinois Farmer and Agribusiness Loan Guarantee Fund to satisfy claims against the State Guarantee. It shall be the responsibility of the lender to proceed with the collecting and disposing of collateral on the State Guarantee under this Section, Section 830-45 or Section 830-50 within 14 months of the time the State Guarantee is declared delinquent. If the

lender does not dispose of the collateral within 14 months, the lender shall be liable to repay to the State interest on the State Guarantee equal to the same rate that the lender charges on the State Guarantee, provided that the Authority shall have the authority to extend the 14-month period for a lender in the case of bankruptcy or extenuating circumstances. The Fund shall be reimbursed for any amounts paid under this Section, Section 830-45 or Section 830-50 upon liquidation of the collateral. The Authority, by resolution of the Board, may borrow sums from the Fund and provide for repayment as soon as may be practical upon receipt of payments of principal and interest by a borrower on State Guarantee Loans under this Section, Section 830-45 or Section 830-50. Money may be borrowed from the Fund by the Authority for the sole purpose of paying certain interest costs for borrowers associated with selling a loan subject to a State Guarantee under this Section, Section 830-45 or Section 830-50 in a secondary market as may be deemed reasonable and necessary by the Authority.

(d) Notwithstanding the provisions of this Section 830-35 with respect to the farmers, agribusinesses, and lenders who may obtain State Guarantees, the Authority may promulgate rules establishing the eligibility of farmers, agribusinesses, and lenders to participate in the State Guarantee program and the terms, standards, and procedures that will apply, when the Authority finds that emergency conditions in Illinois agriculture have created the need for State Guarantees pursuant to terms, standards, and procedures other than those specified in this Section.

Section 830-40. Cooperative agreement with the University of Illinois.

(a) The Authority may enter into a cooperative agreement with the University of Illinois whereby the University's

College of Agriculture, or a department thereof, shall assess and evaluate the need for additional, and the performance of existing, State credit and finance programs administered by the Authority for farmers and agribusinesses. Pursuant to the cooperative agreement, the Authority may request from the University an evaluation of financial positions and lending risks of existing farm operations and existing and developing agricultural industries, an assessment and evaluation of the design, operation and performance of existing and proposed credit programs, an assessment of potential for development of agricultural industry, an assessment of the performance of credit markets and development of improved State credit instruments and programs, and any other information deemed necessary by the Authority to carry forth its credit and finance programs.

(b) A cooperative agreement entered into by the Authority and the University may provide for payment for services rendered by the University pursuant to the cooperative agreement from interest earnings remaining in the Illinois Agricultural Loan Guarantee Fund, as provided for in Section 830-30 of this Act, and the Illinois Farmer and Agribusiness Loan Guarantee Fund, as provided for in Section 830-40 of this Act.

Section 830-45. Young Farmer Loan Guarantee Program.

(a) The Authority is authorized to issue State Guarantees to lenders for loans to finance or refinance debts of young farmers. For the purposes of this Section, a young farmer is a resident of Illinois who is at least 18 years of age and who is a principal operator of a farm or land, who derives at least 50% of annual gross income from farming, whose net worth is not less than \$10,000 and whose debt to asset ratio is not less than 40%. For the purposes of this Section, debt to asset ratio means current outstanding liabilities,

including any debt to be financed or refinanced under this Section 830-45, divided by current outstanding assets. The Authority shall establish the maximum permissible debt to asset ratio based on criteria established by the Authority. Lenders shall apply for the State Guarantees on forms provided by the Authority and certify that the application and any other documents submitted are true and correct. The lender or borrower, or both in combination, shall pay an administrative fee as determined by the Authority. The applicant shall be responsible for paying any fee or charge involved in recording mortgages, releases, financing statements, insurance for secondary market issues, and any other similar fee or charge that the Authority may require. The application shall at a minimum contain the young farmer's name, address, present credit and financial information, including cash flow statements, financial statements, balance sheets, and any other information pertinent to the application, and the collateral to be used to secure the State Guarantee. In addition, the borrower must certify to the Authority that, at the time the State Guarantee is provided, the borrower will not be delinquent in the repayment of any debt. The lender must agree to charge a fixed or adjustable interest rate that the Authority determines to be below the market rate of interest generally available to the borrower. If both the lender and applicant agree, the interest rate on the State guaranteed loan can be converted to a fixed interest rate at any time during the term of the loan. State Guarantees provided under this Section (i) shall not exceed \$500,000 per young farmer, (ii) shall be set up on a payment schedule not to exceed 30 years, but shall be no longer than 15 years in duration, and (iii) shall be subject to an annual review and renewal by the lender and the Authority. A young farmer may use this program more than once provided the aggregate principal amount of

State Guarantees under this Section to that young farmer does not exceed \$500,000. No State Guarantee shall be revoked by the Authority without a 90-day notice, in writing, to all parties.

(b) The Authority shall provide or renew a State Guarantee to a lender if:

(i) The lender pays a fee equal to 25 basis points on the loan to the Authority on an annual basis.

(ii) The application provides collateral acceptable to the Authority that is at least equal to the State Guarantee.

(iii) The lender assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default.

(iv) The lender is at risk for the first 15% of the outstanding principal of the note for which the State Guarantee is provided.

(c) The Illinois Farmer and Agribusiness Loan Guarantee Fund may be used to secure State Guarantees issued under this Section as provided in Section 830-35.

(d) Notwithstanding the provisions of this Section 830-45 with respect to the young farmers and lenders who may obtain State Guarantees, the Authority may promulgate rules establishing the eligibility of young farmers and lenders to participate in the State Guarantee program and the terms, standards, and procedures that will apply, when the Authority finds that emergency conditions in Illinois agriculture have created the need for State Guarantees pursuant to terms, standards, and procedures other than those specified in this Section.

Section 830-50. Specialized Livestock Guarantee Program.

(a) The Authority is authorized to issue State Guarantees to lenders for loans to finance or refinance debts for

specialized livestock operations that are or will be located in Illinois. For purposes of this Section, a "specialized livestock operation" includes, but is not limited to, dairy, beef, and swine enterprises.

(b) Lenders shall apply for the State Guarantees on forms provided by the Authority and certify that the application and any other documents submitted are true and correct. The lender or borrower, or both in combination, shall pay an administrative fee as determined by the Authority. The applicant shall be responsible for paying any fee or charge involved in recording mortgages, releases, financing statements, insurance for secondary market issues, and any other similar fee or charge that the Authority may require. The application shall, at a minimum, contain the farmer's name, address, present credit and financial information, including cash flow statements, financial statements, balance sheets, and any other information pertinent to the application, and the collateral to be used to secure the State Guarantee. In addition, the borrower must certify to the Authority that, at the time the State Guarantee is provided, the borrower will not be delinquent in the repayment of any debt. The lender must agree to charge a fixed or adjustable interest rate that the Authority determines to be below the market rate of interest generally available to the borrower. If both the lender and applicant agree, the interest rate on the State guaranteed loan can be converted to a fixed interest rate at any time during the term of the loan.

(c) State Guarantees provided under this Section (i) shall not exceed \$1,000,000 per applicant, (ii) shall be no longer than 15 years in duration, and (iii) shall be subject to an annual review and renewal by the lender and the Authority. An applicant may use this program more than once, provided that the aggregate principal amount of State

Guarantees under this Section to that applicant does not exceed \$1,000,000. A State Guarantee shall not be revoked by the Authority without a 90-day notice, in writing, to all parties.

(d) The Authority shall provide or renew a State Guarantee to a lender if: (i) The lender pays a fee equal to 25 basis points on the loan to the Authority on an annual basis. (ii) The application provides collateral acceptable to the Authority that is at least equal to the State Guarantee. (iii) The lender assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default. (iv) The lender is at risk for the first 15% of the outstanding principal of the note for which the State Guarantee is provided.

(e) The Illinois Farmer and Agribusiness Loan Guarantee Fund may be used to secure State Guarantees issued under this Section as provided in Section 830-35.

(f) Notwithstanding the provisions of this Section 830-50 with respect to the specialized livestock operations and lenders who may obtain State Guarantees, the Authority may promulgate rules establishing the eligibility of specialized livestock operations and lenders to participate in the State Guarantee program and the terms, standards, and procedures that will apply, when the Authority finds that emergency conditions in Illinois agriculture have created the need for State Guarantees pursuant to terms, standards, and procedures other than those specified in this Section.

ARTICLE 840

HEALTH FACILITIES DEVELOPMENT

Section 840-5. The Authority shall have the following powers:

(a) To fix and revise from time to time and charge and

collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by a project or other health facilities owned, financed or refinanced by the Authority or any portion thereof and to contract with any person, partnership, association or corporation or other body, public or private, in respect thereto; to coordinate its policies and procedures and cooperate with recognized health facility rate setting mechanisms which may now or hereafter be established.

(b) To establish rules and regulations for the use of a project or other health facilities owned, financed or refinanced by the Authority or any portion thereof and to designate a participating health institution as its agent to establish rules and regulations for the use of a project or other health facilities owned by the Authority undertaken for that participating health institution.

(c) To establish or contract with others to carry out on its behalf a health facility project cost estimating service and to make this service available on all projects to provide expert cost estimates and guidance to the participating health institution and to the Authority. In order to implement this service and, through it, to contribute to cost containment, the Authority shall have the power to require such reasonable reports and documents from health facility projects as may be required for this service and for the development of cost reports and guidelines. The Authority may appoint a Technical Committee on Health Facility Project Costs and Cost Containment.

(d) To make mortgage or other secured or unsecured loans to or for the benefit of any participating health institution for the cost of a project in accordance with an agreement between the Authority and the participating health institution; provided that no such loan shall exceed the total cost of the project as determined by the participating

health institution and approved by the Authority; provided further that such loans may be made to any entity affiliated with a participating health institution if the proceeds of such loan are made available to or applied for the benefit of such participating health institution.

(e) To make mortgage or other secured or unsecured loans to or for the benefit of a participating health institution in accordance with an agreement between the Authority and the participating health institution to refund outstanding obligations, loans, indebtedness or advances issued, made, given or incurred by such participating health institution for the cost of a project; including the function to issue bonds and make loans to or for the benefit of a participating health institution to refinance indebtedness incurred by such participating health institution in projects undertaken and completed or for other health facilities acquired prior to or after the enactment of this Act when the Authority finds that such refinancing is in the public interest, and either alleviates a financial hardship of such participating health institution, or is in connection with other financing by the Authority for such participating health institution or may be expected to result in a lessened cost of patient care and a saving to third parties, including government, and to others who must pay for care, or any combination thereof; provided further that such loans may be made to any entity affiliated with a participating health institution if the proceeds of such loan are made available to or applied for the benefit of such participating health institution.

(f) To mortgage all or any portion of a project or other health facilities and the property on which any such project or other health facilities are located whether owned or thereafter acquired, and to assign or pledge mortgages, deeds of trust, indentures of mortgage or trust or similar instruments, notes, and other securities of participating

health institutions to which or for the benefit of which the Authority has made loans or of entities affiliated with such institutions and the revenues therefrom, including payments or income from any thereof owned or held by the Authority, for the benefit of the holders of bonds issued to finance such project or health facilities or issued to refund or refinance outstanding obligations, loans, indebtedness or advances of participating health institutions as permitted by this Act.

(g) To lease to a participating health institution the project being financed or refinanced or other health facilities conveyed to the Authority in connection with such financing or refinancing, upon such terms and conditions as the Authority shall deem proper, and to charge and collect rents therefor and to terminate any such lease upon the failure of the lessee to comply with any of the obligations thereof; and to include in any such lease, if desired, provisions that the lessee thereof shall have options to renew the lease for such period or periods and at such rent as shall be determined by the Authority or to purchase any or all of the health facilities or that upon payment of all of the indebtedness incurred by the Authority for the financing of such project or health facilities or for refunding outstanding obligations, loans, indebtedness or advances of a participating health institution, then the Authority may convey any or all of the project or such other health facilities to the lessee or lessees thereof with or without consideration.

(h) To make studies of needed health facilities that could not sustain a loan were it made under this Act and to recommend remedial action to the General Assembly; to do the same with regard to any laws or regulations that prevent health facilities from benefiting from this Act.

(i) To assist the Department of Commerce and Economic

Opportunity to establish and implement a program to assist health facilities to identify and arrange financing for energy conservation projects in buildings and facilities owned or leased by health facilities.

(j) To assist the Department of Human Services in establishing a low interest loan program to help child care centers and family day care homes serving children of low income families under Section 22.4 of the Children and Family Services Act.

Section 840-10. By means of this Act it is the intent of the General Assembly to provide a measure of assistance and alternative methods of financing to participating health institutions to aid them in providing needed health facilities that will assure admission and care of high quality to all who need it and in dealing with the cash requirements of such facilities, whether resulting from capital expenditures, operating expenditures, delays in the receipt of payments for services or otherwise.

Section 840-15. The Authority is authorized and empowered to acquire, directly or by and through a participating health institution as its agent, by purchase solely from funds provided under the authority of this Act, or by gift or legacy, such lands, structures, property, real or personal, rights, rights-of-way, franchises, easements and other interests in lands, including lands lying under water and riparian rights, which are located within the State as it may deem necessary or convenient for the construction or operation of a project, upon such terms and at such prices as may be considered by it to be reasonable and can be agreed upon between it and the owner thereof, and to take title thereto in the name of the Authority or in the name of a participating health institution as its agent.

Section 840-20. It is the intent and purpose of this Act that the exercise by the Authority of the powers granted to it shall be in all respects for the benefit of the people of this State to assist them to provide needed health facilities of the number, size, type, distribution, and operation that will assure admission and care of high quality to all who need it. To this end, the Authority is charged with the responsibility to identify and study all projects which are determined by health planning agencies to be needed but which could not sustain a loan were such to be made to it under this Act. The Authority shall, following such study, formulate and recommend to the General Assembly, such amendments to this and other Acts, and such other specific measures as grants, loan guarantees, interest subsidies or other actions as may be provided for by the State which actions would render the construction and operation of such needed health facility feasible and in the public interest. Further, the Authority is charged with responsibility to identify and study any laws or regulations which it finds handicaps or bars a needed health facility from participating in the benefits of this Act and to recommend to the General Assembly such actions as will remedy such situation.

Section 840-25. The Authority shall fix, revise, charge and collect rents for the use of each health facility owned by the Authority and contract with any person, partnership, association or corporation, or other body, public or private, in respect thereof. Each lease entered into by the Authority with a participating health institution and each agreement, note, mortgage or other instrument evidencing the obligations of a participating health institution to the Authority shall provide that the rents or principal, interest and other charges payable by or for the benefit of the participating health institution or the process of accounts receivable

purchased by the Authority from the participating health institution shall be sufficient at all times, (a) to pay its share of the administrative costs and expenses of the Authority, (b) to pay the cost of maintaining, repairing and operating the project and other related health facilities and each and every portion thereof, (c) to pay the principal of, the premium, if any, and the interest on outstanding bonds of the Authority issued in respect of such project as the same shall become due and payable, and (d) to create and maintain reserves which may but need not be required or provided for in the bond resolution relating to such bonds of the Authority. The Authority shall pledge the revenues derived and to be derived from a project or other related health facilities or from a participating health institution or an affiliate thereof for the purposes specified in (a), (b), (c) and (d) of the preceding sentence and additional bonds may be issued which may rank on a parity with other bonds relating to the project to the extent and on the terms and conditions provided in the bond resolution. Such pledge shall be valid and binding from the time when the pledge is made; the revenues so pledged by the Authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof. Neither the bond resolution nor any financing statement, continuation statement or other instrument by which a pledge is created or by which the Authority's interest in revenues is assigned need be filed or recorded in any public records in order to perfect the lien thereof as against third parties except that a copy of the bond resolution shall be filed in the records of the Authority and with the Secretary of State.

Section 840-30. It is intended that all private health facilities in this State be enabled to benefit from and participate in the provisions of this Act. To this end, all private health facilities operating, or authorized to be operated, under any statute of this State are authorized and empowered to undertake projects, as defined in this Act, and to utilize the financing sources and methods of repayment provided by this Act, the provisions of any other laws to the contrary notwithstanding. Notwithstanding the provisions of any other law to the contrary, the State of Illinois and any political subdivision, agency, instrumentality, district or municipality thereof owning or operating any health facility is hereby authorized to take all actions necessary or appropriate and to execute and deliver any and all evidences of indebtedness and agreements, including loan agreements, leases and agreements providing for credit enhancement, as may be necessary to permit such publicly owned health facility to avail itself of the provisions of this Act. Any evidence of indebtedness or agreement entered into by the State or any political subdivision, agency, instrumentality, district or municipality thereof pursuant to this Act may provide for the payment of interest at such rate or rates as shall be determined by the issuer thereof or obligor thereunder and may be issued or entered into without referendum approval; provided, that this Act shall not be deemed to be independent authority for levy of any taxes to pay an obligation owing from the State or any political subdivision, agency, instrumentality, district or municipality thereof and arising hereunder or incurred in connection with a financing pursuant hereto.

ARTICLE 845

AUTHORITY DEBTS, CONTRACTS AND REPORTS

Section 845-5. The Authority may not have outstanding at any one time bonds for any of its corporate purposes in an aggregate principal amount exceeding \$23,000,000,000, excluding bonds issued to refund the bonds of the Authority or bonds of the Predecessor Authorities.

Section 845-10. The Authority may issue a single bond issue pursuant to this Act for a group of industrial projects, a group of corporations or a group of business entities, a group of units of local government or other borrowers or any combination thereof. A bond issue for multiple projects as provided in this Section shall be subject to all requirements for bond issues as established by this Act.

Section 845-15. The Authority may maintain an office or branch office anywhere in the State, and may utilize, without the payment of rent, any office facilities which the State may conveniently make available to it.

Section 845-20. The Authority shall not have power to levy taxes for any purpose whatsoever.

Section 845-25. The Authority shall not incur any obligations for salaries, office or other administrative expenses prior to the making of appropriations to meet such expenses. Interest earned from investments of any funds of the Authority and repayments of principal of such investments shall be available for appropriation by the Board for the corporate purposes of the Authority.

Section 845-30. The State and all counties, cities, villages, incorporated towns and other municipal corporations, political subdivisions and public bodies, and

public officers of any thereof, all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds or evidences of indebtedness issued pursuant to this Act or issued by the Predecessor Authorities, it being the purpose of this Section to authorize the investment in such bonds or evidences of indebtedness of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this Section may be construed as relieving any person from any duty of exercising reasonable care in selecting securities for purchase or investment.

Section 845-35. Under no circumstances shall any bonds or other evidences of indebtedness issued by the Authority or the Predecessor Authorities under this Act or under any other law be or become an indebtedness or obligation of the State of Illinois, within the purview of any constitutional limitation or provision, and it shall be plainly stated on the face of each bond or other evidence of indebtedness that it does not constitute such an indebtedness or obligation but is payable solely from the revenues or income of the Authority.

Section 845-40. The Authority shall appoint a secretary and treasurer, who may, but need not, be a member or members of the Authority to hold office during the pleasure of the

Authority. Before entering upon the duties of the respective offices such person or persons shall take and subscribe to the constitutional oath of office, and the treasurer shall execute a bond with corporate sureties to be approved by the Authority. The bond shall be payable to the Authority in whatever penal sum may be directed by the Authority conditioned upon the faithful performance of the duties of the office and the payment of all money received by him according to law and the orders of the Authority. The Authority may, at any time, require a new bond from the treasurer in such penal sum as may then be determined by the Authority. The obligation of the sureties shall not extend to any loss sustained by the insolvency, failure or closing of any savings and loan association or national or state bank wherein the treasurer has deposited funds if the bank or savings and loan association has been approved by the Authority as a depository for these funds. The oaths of office and the treasurer's bond shall be filed in the principal office of the Authority. All funds of the Authority, including without limitation, grants or loans from the federal government, the State or any agency or instrumentality thereof, fees, service charges, interest or other investment earnings on its funds, payments of principal of and interest on loans of its funds and revenue from any other source, except funds the application of which is otherwise specifically provided for by appropriation, resolution, grant agreement, lease agreement, loan agreement, indenture, mortgage or trust agreement or other agreement, may be held by the Authority in its treasury and be generally available for expenditure by the Authority for any of the purposes authorized by this Act. In addition to investments authorized by Section 2 of the Public Funds Investment Act, funds of the Authority may be invested in (a) obligations issued by any State, unit of local government or school

district which obligations are rated at the time of purchase by a national rating service within the two highest rating classifications without regard to any rating refinement or gradation by numerical or other modifier, or (b) equity securities of an investment company registered under the Investment Company Act of 1940 whose sole assets, other than cash and other temporary investments, are obligations which are eligible investments for the Authority, provided that not more than 20% of the assets of the investment company may consist of unrated obligations of the type described in clause (a) which the Board of Directors of the investment company has determined to be of comparable quality to rated obligations described in clause (a). Funds appropriated by the General Assembly to the Authority shall be held in the State treasury unless this Act or the Act making the appropriation specifically states that the monies are to be held in or appropriated to the Authority's treasury. Such funds as are authorized to be held in the Authority's treasury and deposited in any bank or savings and loan association and placed in the name of the Authority shall be withdrawn or paid out only by check or draft upon the bank or savings and loan association, signed by the treasurer and countersigned by the Chairperson of the Authority. The Authority may designate any of its members or any officer or employee of the Authority to affix the signature of the Chairperson and another to affix the signature of the treasurer to any check or draft for payment of salaries or wages and for payment of any other obligations of not more than \$2,500. In case any officer whose signature appears upon any check or draft, issued pursuant to this Act, ceases to hold his office before the delivery thereof to the payee, his signature nevertheless shall be valid and sufficient for all purposes with the same effect as if he had remained in office until delivery thereof. No bank or savings and loan

association shall receive public funds as permitted by this Section, unless it has complied with the requirements established pursuant to Section 6 of the Public Funds Investment Act.

Section 845-45. (a) No member, officer, agent, or employee of the Authority shall, in his or her own name or in the name of a nominee, be an officer or director or hold an ownership interest of more than 7 1/2% in any person, association, trust, corporation, partnership, or other entity that is, in its own name or in the name of a nominee, a party to a contract or agreement upon which the member, officer, agent, or employee may be called upon to act or vote.

(b) With respect to any direct or any indirect interest, other than an interest prohibited in subsection (a), in a contract or agreement upon which the member, officer, agent, or employee may be called upon to act or vote, a member, officer, agent, or employee of the Authority shall disclose the interest to the secretary of the Authority before the taking of final action by the Authority concerning the contract or agreement and shall so disclose the nature and extent of the interest and his or her acquisition of it, and those disclosures shall be publicly acknowledged by the Authority and entered upon the minutes of the Authority. If a member, officer, agent, or employee of the Authority holds such an interest, then he or she shall refrain from any further official involvement in regard to the contract or agreement, from voting on any matter pertaining to the contract or agreement, and from communicating with other members of the Authority or its officers, agents, and employees concerning the contract or agreement. Notwithstanding any other provision of law, any contract or agreement entered into in conformity with this subsection (b) shall not be void or invalid by reason of the interest

described in this subsection, nor shall any person so disclosing the interest and refraining from further official involvement as provided in this subsection be guilty of an offense, be removed from office, or be subject to any other penalty on account of that interest.

(c) Any contract or agreement made in violation of paragraphs (a) or (b) of this Section shall be null and void and give rise to no action against the Authority.

Section 845-50. The fiscal year for the Authority shall commence on the first of July. As soon after the end of each fiscal year as may be expedient, the Authority shall cause to be prepared and printed a complete report and financial statement of its operations and of its assets and liabilities. A reasonably sufficient number of copies of such report shall be printed for distribution to persons interested, upon request, and a copy thereof shall be filed with the Governor, the Secretary of State, the State Comptroller, the Secretary of the Senate and the Chief Clerk of the House of Representatives.

Section 845-55. For the purposes of the Illinois Securities Law of 1953, bonds issued by the Authority shall be deemed to be securities issued by a public instrumentality of the State of Illinois.

Section 845-60. Tax Exemption. The tax exemptions of outstanding bonds issued by the Predecessor Authorities pursuant to sections of the enabling acts of the Predecessor Authorities applicable to those bonds when issued shall remain valid and continue to be recognized by the State until final payment of those bonds, notwithstanding the repeal of the enabling acts of the Predecessor Authorities.

Section 845-65. If any provision of this Act is held invalid, such provision shall be deemed to be excised and the invalidity thereof shall not affect any of the other provisions of this Act. If the application of any provision of this Act to any person or circumstance is held invalid, it shall not affect the application of such provision to such persons or circumstances other than those as to which it is held invalid.

Section 845-70. Tax avoidance. Notwithstanding any other provision of law, the Authority shall not enter into any agreement providing for the purchase and lease of tangible personal property that results in the avoidance of taxation under the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, or the Service Occupation Tax Act, without the prior written consent of the Governor.

Section 845-75. Transfer of functions from previously existing authorities to the Illinois Finance Authority. The Illinois Finance Authority created by the Illinois Finance Authority Act shall succeed to, assume and exercise all rights, powers, duties and responsibilities formerly exercised by the following Authorities and entities (herein called the "Predecessor Authorities") prior to the abolition of the Predecessor Authorities by this Act:

The Illinois Development Finance Authority

The Illinois Farm Development Authority

The Illinois Health Facilities Authority

The Illinois Educational Facilities Authority

The Illinois Community Development Finance Corporation

The Illinois Rural Bond Bank

The Research Park Authority

All books, records, papers, documents and pending business in any way pertaining to the Predecessor Authorities

are transferred to the Illinois Finance Authority, but any rights or obligations of any person under any contract made by, or under any rules, regulations, uniform standards, criteria and guidelines established or approved by, such Predecessor Authorities shall be unaffected thereby. All bonds, notes or other evidences of indebtedness outstanding on the effective date of this Act shall be unaffected by the transfer of functions to the Illinois Finance Authority. No rule, regulation, standard, criteria or guideline promulgated, established or approved by the Predecessor Authorities pursuant to an exercise of any right, power, duty or responsibility assumed by and transferred to the Illinois Finance Authority shall be affected by this Act, and all such rules, regulations, standards, criteria and guidelines shall become those of the Illinois Finance Authority until such time as they are amended or repealed by the Illinois Finance Authority.

Section 845-80. Any reference in statute, in rule, or otherwise to the following entities is a reference to the Illinois Finance Authority created by this Act:

The Illinois Development Finance Authority.

The Illinois Farm Development Authority.

The Illinois Health Facilities Authority.

The Illinois Research Park Authority.

The Illinois Rural Bond Bank.

The Illinois Educational Facilities Authority.

The Illinois Community Development Finance Corporation.

Section 845-85. Any reference in statute, in rule, or otherwise to the following Acts is a reference to this Act:

The Illinois Development Finance Authority Act.

The Illinois Farm Development Act.

The Illinois Health Facilities Authority Act.

The Illinois Research Park Authority Act.

The Rural Bond Bank Act.

The Illinois Educational Facilities Authority Act.

The Illinois Community Development Finance Corporation Act.

ARTICLE 890

AMENDATORY PROVISIONS

Section 890-1. The Statute on Statutes is amended by changing Section 8 as follows:

(5 ILCS 70/8) (from Ch. 1, par. 1107)

Sec. 8. Omnibus Bond Acts.

(a) A citation to the Omnibus Bond Acts is a citation to all of the following Acts, collectively, as amended from time to time: the Bond Authorization Act, the Registered Bond Act, the Municipal Bond Reform Act, the Local Government Debt Reform Act, subsection (a) of Section 1-7 of the Property Tax Extension Limitation Act, subsection (a) of Section 18-190 of the Property Tax Code, the Uniform Facsimile Signature of Public Officials Act, the Local Government Bond Validity Act, the Illinois Development Finance Authority Act, the Public Funds Investment Act, the Local Government Credit Enhancement Act, the Local Government Defeasance of Debt Law, the Intergovernmental Cooperation Act, the Local Government Financial Planning and Supervision Act, the Special Assessment Supplemental Bond and Procedure Act, Section 12-5 of the Election Code, and any similar Act granting additional omnibus bond powers to governmental entities generally, whether enacted before, on, or after the effective date of this amendatory Act of 1989.

(b) The General Assembly recognizes that the proliferation of governmental entities has resulted in the

enactment of hundreds of statutory provisions relating to the borrowing and other powers of governmental entities. The General Assembly addresses and has addressed problems common to all such governmental entities so that they have equal access to the municipal bond market. It has been, and will continue to be, the intention of the General Assembly to enact legislation applicable to governmental entities in an omnibus fashion, as has been done in the provisions of the Omnibus Bond Acts.

(c) It is and always has been the intention of the General Assembly that the Omnibus Bond Acts are and always have been supplementary grants of power, cumulative in nature and in addition to any power or authority granted in any other laws of the State. The Omnibus Bond Acts are supplementary grants of power when applied in connection with any similar grant of power or limitation contained in any other law of the State, whether or not the other law is enacted or amended after an Omnibus Bond Act or appears to be more restrictive than an Omnibus Bond Act, unless the General Assembly expressly declares in such other law that a specifically named Omnibus Bond Act does not apply.

(d) All instruments providing for the payment of money executed by or on behalf of any governmental entity organized by or under the laws of this State, including without limitation the State, to carry out a public governmental or proprietary function, acting through its corporate authorities, or which any governmental entity has assumed or agreed to pay, which were:

(1) issued or authorized to be issued by proceedings adopted by such corporate authorities before the effective date of this amendatory Act of 1989;

(2) issued or authorized to be issued in accordance with the procedures set forth in or pursuant to any authorization contained in any of the Omnibus Bond Acts;

and

(3) issued or authorized to be issued for any purpose authorized by the laws of this State, are valid and legally binding obligations of the governmental entity issuing such instruments, payable in accordance with their terms.

(Source: P.A. 90-480, eff. 8-17-97; 91-57, eff. 6-30-99.)

Section 890-2. The Department of Commerce and Community Affairs Law of the Civil Administrative Code of Illinois is amended by changing Sections 605-675, 605-915, 605-920, and 605-925 as follows:

(20 ILCS 605/605-675) (was 20 ILCS 605/46.66)

Sec. 605-675. Exporter award program. The Department shall establish and operate, in cooperation with the Department of Agriculture and the Illinois Development Finance Authority, an annual awards program to recognize Illinois-based exporters. In developing criteria for the awards, the Department shall give consideration to the exporting efforts of small and medium sized businesses, first-time exporters, and other appropriate categories.

(Source: P.A. 91-239, eff. 1-1-00.)

(20 ILCS 605/605-915) (was 20 ILCS 605/46.45)

Sec. 605-915. Assisting local governments to achieve lower borrowing costs. To cooperate with the Illinois Development Finance Authority in assisting local governments to achieve overall lower borrowing costs and more favorable terms under Sections--7.50--through--7.61--of the Illinois Development Finance Authority Act, including using the Department's federally funded Community Development Assistance Program for those purposes.

(Source: P.A. 91-239, eff. 1-1-00.)

(20 ILCS 605/605-920) (was 20 ILCS 605/46.47)

Sec. 605-920. Assisting local governments; debt management, capital facility planning, infrastructure. To provide, in cooperation with the Illinois Development Finance Authority, technical assistance to local governments with respect to debt management and bond issuance, capital facility planning, infrastructure financing, infrastructure maintenance, fiscal management, and other infrastructure areas.

(Source: P.A. 91-239, eff. 1-1-00.)

(20 ILCS 605/605-925) (was 20 ILCS 605/46.48)

Sec. 605-925. Helping local governments reduce infrastructure costs. To develop and recommend to the Governor and the General Assembly, in cooperation with the Illinois Development Finance Authority and local governments, methods and techniques that can be used to help local governments reduce their public infrastructure costs, including strengthened local financial management, user fees, and other appropriate options.

(Source: P.A. 91-239, eff. 1-1-00.)

Section 890-3. The Illinois Enterprise Zone Act is amended by changing Section 7 as follows:

(20 ILCS 655/7) (from Ch. 67 1/2, par. 611)

Sec. 7. State Incentives Regarding Public Services and Physical Infrastructure.

(a) This Act does not restrict tax incentive financing pursuant to the "Tax Increment Allocation Redevelopment Act".

(b) Industrial development bonds. Priority in the use of industrial development bonds issued by the Illinois Development Finance Authority shall be given to businesses located in an Enterprise Zone.

(c) Deposit of State funds by the State Treasurer. The State Treasurer is authorized and encouraged to place deposits of State funds with financial institutions doing business in an Enterprise Zone.

(Source: P.A. 84-1417.)

Section 890-4. The Energy Conservation and Coal Development Act is amended by changing Section 15 as follows:

(20 ILCS 1105/15) (from Ch. 96 1/2, par. 7415)

Sec. 15. (a) The Department, in cooperation with the Illinois Development Finance Authority, shall establish a program to assist units of local government, as defined in the Illinois Development Finance Authority Act, to identify and arrange financing for energy conservation projects for buildings and facilities owned or leased by those units of local government.

(b) The Department, in cooperation with the Illinois Health Facilities Authority, shall establish a program to assist health facilities to identify and arrange financing for energy conservation projects for buildings and facilities owned or leased by those health facilities.

(Source: P.A. 87-852; 88-45.)

Section 890-5. The Department of Public Health Powers and Duties Law of the Civil Administrative Code of Illinois is amended by changing Section 2310-200 as follows:

(20 ILCS 2310/2310-200) (was 20 ILCS 2310/55.53)

Sec. 2310-200. Programs to expand access to primary care.

(a) The Department shall establish a program to expand access to comprehensive primary care in medically underserved communities throughout Illinois. This program may include

the provision of financial support and technical assistance to eligible community health centers. To be eligible for those grants, community health centers must meet requirements comparable to those enumerated in Sections 329 and 330 of the federal Public Health Service Act. In establishing its program, the Department shall avoid duplicating resources in areas already served by community health centers.

(b) The Department may develop financing programs with the Illinois Development Finance Authority to carry out the purposes of the Civil Administrative Code of Illinois or any other Act that the Department is responsible for administering. The Department may transfer to the Illinois Development Finance Authority, into an account outside of the State treasury, any moneys it deems necessary from its accounts to establish bond reserve or credit enhancement escrow accounts, or loan or equipment leasing programs. The disposition of moneys at the conclusion of any such financing program shall be determined by an interagency agreement.

(Source: P.A. 91-239, eff. 1-1-00.)

Section 890-6. The Asbestos Abatement Finance Act is amended by changing Sections 2 and 3 as follows:

(20 ILCS 3510/2) (from Ch. 111 1/2, par. 8102)

Sec. 2. Definitions. The following words and terms, whether or not capitalized, have the following meanings, unless the context or use clearly requires otherwise:

"Asbestos" means asbestos as defined and used in the federal Asbestos Hazard Emergency Response Act of 1986, as now or hereafter amended, including the regulations promulgated under that Act.

"Asbestos Abatement Project" means asbestos inspection, planning and response action under and within the meaning of the federal Asbestos Hazard Emergency Response Act of 1986,

as now or hereafter amended, to abate a health hazard caused directly or indirectly by the existence of asbestos in any building or other facility owned, operated, maintained or occupied in whole or in part by a public corporation or a private institution.

"Authority" means the Illinois Development Finance Authority.

"Board" means the Board of the Authority.

"Bond" means any bond, note or other evidence of indebtedness issued by the Authority under this Act.

"Chairman" means the Chairman of the Authority.

"Cost" as applied to an asbestos abatement project means the costs incurred or to be incurred by a public corporation or a private institution in the removal, encapsulation, enclosure, repair, or maintenance of asbestos in any building or other facility owned, operated, maintained or occupied in whole or in part by a public corporation or a private institution, including all incidental costs such as engineering, architectural, consulting and legal expenses incurred in connection with an asbestos abatement project, plans, specifications, surveys, estimates of costs and revenues, finance charges, interest before and during construction of an asbestos abatement project and, for up to 18 months after completion of construction, other expenses necessary or incident to determining the need, feasibility or practicability of an asbestos abatement project, administrative expenses, and such other costs, charges and expenses as may be necessary or incident to the construction or financing of any asbestos abatement project. As used in this Act, "cost" means not only costs of an asbestos abatement project expected to be incurred in the future, but costs already incurred and paid by a public corporation or a private institution so that a public corporation or a private institution shall be permitted to reimburse itself for those

costs previously incurred and paid.

"Person" means any individual, firm, partnership, association, or corporation, separately or in any combination.

"Private institution" means any not-for-profit organization within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as now or hereafter amended, including any private or nonpublic pre-school, day care center, day or residential educational institution that provides elementary or secondary education for grades 12 or under, any private or nonpublic college or university, or any hospital, health care or long term care institution.

"Private institution security" means any bond, note, loan agreement, or other evidence of indebtedness which a private institution is legally authorized to issue or enter into for the purpose of financing or refinancing the costs of an asbestos abatement project.

"Public corporation" means any body corporate organized by or under the laws of this State to carry out a public governmental or proprietary function, including the State, any State agency, any school district, park district, city, village, incorporated town, county, township, drainage or any other type of district, board, commission, authority, university, public community college or any combination (including any combination under Section 10 of Article VII of the Illinois Constitution or under the Intergovernmental Cooperation Act of 1973, as now or hereafter amended), acting through their corporate authorities, and any other unit of local government within the meaning of Section 1 of Article VII of the Illinois Constitution.

"Public corporation security" means any bond, note, loan agreement, or other evidence of indebtedness which a public corporation is legally authorized to issue or enter into for the purpose of financing or refinancing the costs of an

asbestos abatement project.

"Secretary" means the Secretary of the Authority.

"State" means the State of Illinois.

"Treasurer" means the Treasurer of the Authority.

(Source: P.A. 86-976.)

(20 ILCS 3510/3) (from Ch. 111 1/2, par. 8103)

Sec. 3. Powers. In addition to the powers set forth elsewhere in this Act and in The Illinois Development Finance Authority Act, as now or hereafter amended, the Authority may:

(a) Adopt an official seal.

(b) Maintain asbestos abatement suboffices at places within the State as it designates.

(c) Sue and be sued, plead and be impleaded, all in its own name, and agree to binding arbitration of any dispute to which it is a party under this Act.

(d) Adopt bylaws, rules, and regulations to carry out the provisions and purposes of this Act.

(e) Employ, either as regular employees or independent contractors, consultants, engineers, architects, accountants, attorneys, financial experts, construction experts, superintendents, managers, other professional personnel, and other persons as may be necessary or appropriate in the judgment of the Authority to achieve the purposes of this Act, and fix their compensation.

(f) Determine the locations of, develop, establish, construct, erect, acquire, own, repair, remodel, add to, extend, improve, equip, operate, regulate, and maintain facilities to the extent necessary to accomplish the purposes of this Act.

(g) Acquire, hold, lease, use, encumber, transfer, or dispose of real and personal property, including the alteration or demolition of improvements to real estate,

necessary to accomplish the purposes of this Act.

(h) Enter into contracts of any kind in furtherance of or which are necessary or incidental to the purposes of this Act or actions of the Authority taken under this Act.

(i) Regulate the use and operation of asbestos abatement projects developed under the provisions of this Act, except that asbestos abatement projects undertaken by schools shall be governed by the Asbestos Abatement Act, the Asbestos Hazard Emergency Response Act and by the regulations promulgated by the Department of Public Health pursuant to those Acts.

(j) Purchase from time to time by negotiated sale, upon such terms as the Authority shall determine, public corporation securities issued by one or more public corporations for the purpose of paying costs of asbestos abatement projects or private institution securities issued by one or more private institutions for the purpose of paying costs of asbestos abatement projects.

(k) Make loans from time to time, upon such terms as the Authority shall determine, to public corporations and private institutions for the purpose of paying costs of asbestos abatement projects.

(l) Issue bonds in one or more series pursuant to one or more resolutions adopted by the Board for the purpose of purchasing or acquiring public corporation securities or private institution securities issued for the purpose of paying costs of asbestos abatement projects or for the purpose of making loans to public corporations or private institutions for the purpose of paying costs of asbestos abatement projects, providing for the payment of any interest deemed necessary on such bonds, paying for the costs of issuance of such bonds, providing for the payment of any premium on any insurance or the cost of any guarantees, letters of credit or other credit enhancement facilities, or

providing for the funding of any reserves deemed necessary in connection with such bonds, and refunding or advance refunding (one or more times) any such bonds. Such bonds may bear interest at any rate or rates (whether fixed or variable, and whether current or deferred), notwithstanding any other provision of law to the contrary, which rate or rates may be established by an index or formula which may be implemented or established by persons appointed or retained therefor by the Authority, may bear such date or dates, may be payable at such time or times and at such place or places, may mature at any time or times not later than 40 years from the date of issuance, may be sold at competitive or negotiated sale at such time or times and at such price or prices, may be secured by such pledges, covenants, reserves, guarantees, letters of credit or other credit enhancement facilities, may be issued and secured by such form of trust agreement between the Authority and a bank or trust company having the powers of a trust company within or without the State, may be executed in such manner, may be subject to redemption prior to maturity, and may be subject to such other terms and conditions, as are provided by the Authority in the resolution authorizing the issuance of any such bonds.

(m) Provide for the establishment and funding of any reserves or other funds or accounts deemed necessary by the Authority in connection with any bonds issued by the Authority under this Act, any public corporation securities or private institution securities purchased or acquired by the Authority, or any loan made by the Authority to a public corporation or a private institution, and deposit into such reserves, funds or accounts the proceeds of any bonds issued by the Authority or any other funds of the Authority or any funds of a public corporation or a private institution which may be applied for such purpose. Such reserves, funds or accounts may be held by a corporate trustee, which may be any

trust company or bank having the powers of a trust company located within or outside the State.

(n) Pledge any public corporation security or private institution security, including any payment thereon, and any other funds of the Authority which may be applied to such purpose, as security for any bonds issued by the Authority or to secure any letter of credit, guarantee or other credit enhancement facility.

(o) Enter into agreements or other transactions with any federal, State or local governmental agency in connection with this Act.

(p) Receive and accept from any federal agency, subject to the approval of the Governor, grants for or in aid of the construction of asbestos abatement projects or for research and development with respect to asbestos abatement projects, such grants to be held, used and applied only for the purposes for which such grants were made.

(q) Charge fees to defray the cost of letters of credit, guarantees or other credit enhancement facilities, trustees, depositaries, paying agents, bond registrars, escrow agents, tender agents and other administrative and program expenses; and otherwise charge such program fees consistent with the purposes of this Act as the Authority shall from time to time determine. Any such fees shall be payable in such amounts and at such times as the Authority shall determine, and the amount of the fees need not be uniform among the various series of bonds issued by the Authority or among the issuers of public corporation securities or private institution securities purchased or acquired or proposed to be purchased or acquired by the Authority.

(r) Prescribe application forms, notification forms, forms of contracts, loan agreements, financing agreements and security agreements, and such other forms as the Authority deems necessary or appropriate in connection with this Act.

(s) Purchase or acquire any bonds of the Authority issued under this Act for cancellation, resale, or reissuance.

(t) Subject to the provisions of any resolution, indenture, or other contract with the owners of bonds, sell, or otherwise transfer or dispose of public corporation securities or private institution securities acquired under this Act.

(u) Do any and all things necessary or convenient to carry out the purposes of, and exercise the powers expressly given and granted in, this Act, including the adoption of rules under The Illinois Administrative Procedure Act, as now or hereafter amended, as are necessary to carry out the powers and duties conferred by this Act.

(Source: P.A. 86-976.)

Section 890-7. The Illinois Environmental Facilities Financing Act is amended by changing Sections 3, 4, and 7 as follows:

(20 ILCS 3515/3) (from Ch. 127, par. 723)

Sec. 3. Definitions. In this Act, unless the context otherwise clearly requires, the terms used herein shall have the meanings ascribed to them as follows:

(a) "Bonds" means any bonds, notes, debentures, temporary, interim or permanent certificates of indebtedness or other obligations evidencing indebtedness.

(b) "Directing body" means the members of the State authority.

(c) "Environmental facility" or "facilities" means any land, interest in land, building, structure, facility, system, fixture, improvement, appurtenance, machinery, equipment or any combination thereof, and all real and personal property deemed necessary therewith, having to do

with or the primary purpose of which is, reducing, controlling or preventing pollution, or reclaiming surface mined land. Environmental facilities may be located anywhere in this State and may include those facilities or processes used to (i) remove potential pollutants from coal prior to combustion, (ii) reduce the volume or composition of hazardous waste by changing or replacing manufacturing equipment or processes, (iii) recycle hazardous waste, or (iv) recover resources from hazardous waste. Environmental facilities may also include (i) solar collectors, solar storage mechanisms and solar energy systems, as defined in Section 10-5 of the Property Tax Code; (ii) facilities designed to collect, store, transfer, or distribute, for residential, commercial or industrial use, heat energy which is a by-product of industrial or energy generation processes and which would otherwise be wasted; (iii) facilities designed to remove pollutants from emissions that result from the combustion of coal; and (iv) facilities for the combustion of coal in a fluidized bed boiler. Environmental facilities include landfill gas recovery facilities, as defined in the Illinois Environmental Protection Act.

Environmental facilities do not include any land, interest in land, buildings, structure, facility, system, fixture, improvement, appurtenance, machinery, equipment or any combination thereof, and all real and personal property deemed necessary therewith, having to do with a hazardous waste disposal site, except where such land, interest in land, buildings, structure, facility, system, fixture, improvement, appurtenance, machinery, equipment, real or personal property are used for the management or recovery of gas generated by a hazardous waste disposal site or are used for recycling, reclamation, tank storage or treatment in tanks which occurs on the same site as a hazardous waste disposal site.

(d) "Finance" or "financing" means the issuing of revenue bonds pursuant to Section 9 of this Act by the State authority for the purpose of using the proceeds to pay project costs for an environmental or hazardous waste treatment facility including one in or to which title at all times remains in a person other than the State authority, in which case the bonds of the Authority are secured by a pledge of one or more notes, debentures, bonds or other obligations, secured or unsecured, of any person.

(e) "Person" means any individual, partnership, copartnership, firm, company, corporation (including public utilities), association, joint stock company, trust, estate, political subdivision, state agency, or any other legal entity, or their legal representative, agent or assigns.

(f) "Pollution" means any form of environmental pollution including, but not limited to, water pollution, air pollution, land pollution, solid waste pollution, thermal pollution, radiation contamination, or noise pollution as determined by the various standards prescribed by this state or the federal government and including but not limited to, anything which is considered as pollution or environmental damage in the Environmental Protection Act, approved June 29, 1970, as now or hereafter amended.

(g) "Project costs" as applied to environmental or hazardous waste treatment facilities financed under this Act means and includes the sum total of all reasonable or necessary costs incidental to the acquisition, construction, reconstruction, repair, alteration, improvement and extension of such environmental or hazardous waste treatment facilities including without limitation the cost of studies and surveys; plans, specifications, architectural and engineering services; legal, organization, marketing or other special services; financing, acquisition, demolition, construction, equipment and site development of new and rehabilitated

buildings; rehabilitation, reconstruction, repair or remodeling of existing buildings and all other necessary and incidental expenses including an initial bond and interest reserve together with interest on bonds issued to finance such environmental or hazardous waste treatment facilities to a date 6 months subsequent to the estimated date of completion.

(h) "State authority" or "authority" means the Illinois Development Finance Authority created by the Illinois Development Finance Authority Act.

(i) "Small business" or "small businesses" means those commercial and manufacturing entities which at the time of their application to the authority meet those criteria, as interpreted and applied by the State authority, for definition as a "small business" established for the Small Business Administration and set forth as Section 121.3-10 of Part 121 of Title 13 of the Code of Federal Regulations as such Section is in effect on the effective date of this amendatory Act of 1975.

(j) "New coal-fired electric utility steam generating plants" and "new coal-fired industrial boilers" means those plants and boilers on which construction begins after the effective date of this amendatory Act of 1981.

(k) "Hazardous waste treatment facility" means any land, interest in land, building, structure, facility, system, fixture, improvement, appurtenance, machinery, equipment, or any combination thereof, and all real and personal property deemed necessary therewith, the primary purpose of which is to recycle, incinerate, or physically, chemically, biologically or otherwise treat hazardous wastes, or to reduce the production of hazardous wastes by changing or replacing manufacturing equipment or processes, and which meets the requirements of the Environmental Protection Act and all regulations adopted thereunder.

(Source: P.A. 88-670, eff. 12-2-94.)

(20 ILCS 3515/4) (from Ch. 127, par. 724)

Sec. 4. Transfer of functions from the Illinois Development Finance Environmental Facilities Financing Authority to the Illinois Development Finance Authority. The Illinois Development Finance Authority created by the Illinois Development Finance Authority Act shall succeed to, assume and exercise all rights, powers, duties and responsibilities formerly exercised by the Illinois Development Finance Environmental Facilities Financing Authority prior to the abolition of that Authority by this amendatory Act of the 93rd General Assembly 1983. All books, records, papers, documents and pending business in any way pertaining to the former Illinois Development Finance Environmental Facilities Financing Authority are transferred to the Illinois Development Finance Authority, but any rights or obligations of any person under any contract made by, or under any rules, regulations, uniform standards, criteria and guidelines established or approved by such former Illinois Environmental Facilities Financing Authority shall be unaffected thereby. All bonds, notes or other evidences of indebtedness outstanding on the effective date of this amendatory Act of the 93rd General Assembly 1983 shall be unaffected by the transfer of functions to the Illinois Development Finance Authority. No rule, regulation, standard, criteria or guideline promulgated, established or approved by the former Illinois Development Finance Environmental Facilities Financing Authority pursuant to an exercise of any right, power, duty or responsibility assumed by and transferred to the Illinois Development Finance Authority shall be affected by this amendatory Act of the 93rd General Assembly 1983, and all such rules, regulations, standards, criteria and guidelines shall become those of the

Illinois Development Finance Authority until such time as they are amended or repealed by the Authority. Any action, including without limitation, approvals of applications for bonds and resolutions constituting official action under the Internal Revenue Code, by the Illinois Environmental Facilities Financing Authority prior to the September 23, 1983 effective date of Public Act 83-669 shall remain effective to the same extent as if such action had been taken by the Authority and shall be deemed to be action taken by the Authority. The State authority is constituted a public instrumentality and the exercise by the State authority of the powers conferred by this Act shall be deemed and held to be the performance of an essential public function. Sections 7.42--through--7.48--of The Illinois Development Finance Authority Act shall not apply to the provision of financing for environmental facilities by the Authority, unless such financing is provided pursuant to such-Sections-of such Act.

(Source: P.A. 83-1362.)

(20 ILCS 3515/7) (from Ch. 127, par. 727)

Sec. 7. Powers. In addition to the powers otherwise authorized by law, for the purposes of this Act, the State authority shall have the following powers together with all powers incidental thereto or necessary for the performance thereof:

(1) to have perpetual succession as a body politic and corporate;

(2) to adopt bylaws for the regulation of its affairs and the conduct of its business;

(3) to sue and be sued and to prosecute and defend actions in the courts;

(4) to have and to use a corporate seal and to alter the same at pleasure;

(5) to maintain an office at such place or places as it

may designate;

(6) to determine the location, pursuant to the Environmental Protection Act, and the manner of construction of any environmental or hazardous waste treatment facility to be financed under this Act and to acquire, construct, reconstruct, repair, alter, improve, extend, own, finance, lease, sell and otherwise dispose of the facility, to enter into contracts for any and all of such purposes, to designate a person as its agent to determine the location and manner of construction of an environmental or hazardous waste treatment facility undertaken by such person under the provisions of this Act and as agent of the authority to acquire, construct, reconstruct, repair, alter, improve, extend, own, lease, sell and otherwise dispose of the facility, and to enter into contracts for any and all of such purposes;

(7) to finance and to lease or sell to a person any or all of the environmental or hazardous waste treatment facilities upon such terms and conditions as the directing body considers proper, and to charge and collect rent or other payments therefor and to terminate any such lease or sales agreement or financing agreement upon the failure of the lessee, purchaser or debtor to comply with any of the obligations thereof; and to include in any such lease or other agreement, if desired, provisions that the lessee, purchaser or debtor thereunder shall have options to renew the term of the lease, sales or other agreement for such period or periods and at such rent or other consideration as shall be determined by the directing body or to purchase any or all of the environmental or hazardous waste treatment facilities for a nominal amount or otherwise or that at or prior to the payment of all of the indebtedness incurred by the authority for the financing of such environmental or hazardous waste treatment facilities the authority may convey any or all of the environmental or hazardous waste treatment

facilities to the lessee or purchaser thereof with or without consideration;

(8) to issue bonds for any of its corporate purposes, including a bond issuance for the purpose of financing a group of projects involving environmental facilities, and to refund those bonds, all as provided for in this Act and subject to Section 13 of this Act;

(9) generally to fix and revise from time to time and charge and collect rates, rents, fees and charges for the use of and services furnished or to be furnished by any environmental or hazardous waste treatment facility or any portion thereof and to contract with any person, firm or corporation or other body public or private in respect thereof;

(10) to employ consulting engineers, architects, attorneys, accountants, construction and financial experts, superintendents, managers and such other employees and agents as may be necessary in its judgment and to fix their compensation;

(11) to receive and accept from any public agency loans or grants for or in aid of the construction of any environmental facility and any portion thereof, or for equipping the facility, and to receive and accept grants, gifts or other contributions from any source;

(12) to refund outstanding obligations incurred by any person to finance the cost of an environmental or hazardous waste treatment facility including obligations incurred for environmental or hazardous waste treatment facilities undertaken and completed prior to or after the enactment of this Act when the authority finds that such financing is in the public interest;

(13) to prohibit the financing of environmental facilities for new coal-fired electric steam generating plants and new coal-fired industrial boilers which do not use

Illinois coal as the primary source of fuel;

(14) to set and impose appropriate financial penalties on any person who receives financing from the State authority based on a commitment to use Illinois coal as the primary source of fuel at a new coal-fired electric utility steam generating plant or new coal-fired industrial boiler and later uses non-Illinois coal as the primary source of fuel;

(15) to fix, determine, charge and collect any premiums, fees, charges, costs and expenses, including, without limitation, any application fees, program fees, commitment fees, financing charges or publication fees in connection with its activities under this Act; all expenses of the State authority incurred in carrying out this Act are payable solely from funds provided under the authority of this Act and no liability shall be incurred by any authority beyond the extent to which moneys are provided under this Act. All fees and moneys accumulated by the Authority as provided in this Act or the Illinois Development Finance Authority Act shall be held outside of the State treasury and in the custody of the Treasurer of the Authority; and

(16) to do all things necessary and convenient to carry out the purposes of this Act.

The State authority may not operate any environmental or hazardous waste treatment facility as a business except for the purpose of protecting or maintaining such facility as security for bonds of the State authority. No environmental or hazardous waste treatment facilities completed prior to January 1, 1970 may be financed by the State authority under this Act, but additions and improvements to such environmental or hazardous waste treatment facilities which are commenced subsequent to January 1, 1970 may be financed by the State authority. Any lease, sales agreement or other financing agreement in connection with an environmental or hazardous waste treatment facility entered into pursuant to

this Act must be for a term not shorter than the longest maturity of any bonds issued to finance such environmental or hazardous waste treatment facility or a portion thereof and must provide for rentals or other payments adequate to pay the principal of and interest and premiums, if any, on such bonds as the same fall due and to create and maintain such reserves and accounts for depreciation, if any, as the directing body determines to be necessary.

The Authority shall give priority to providing financing for the establishment of hazardous waste treatment facilities necessary to achieve the goals of Section 22.6 of the Environmental Protection Act.

The Authority shall give special consideration to small businesses in authorizing the issuance of bonds for the financing of environmental facilities pursuant to subsection (c) of Section 2.

The Authority shall make a financial report on all projects financed under this Section to the General Assembly, to the Governor, and to the Illinois Economic and Fiscal Commission by April 1 of each year. Such report shall be a public record and open for inspection at the offices of the Authority during normal business hours. The report shall include: (a) all applications for loans and other financial assistance presented to the members of the Authority during such fiscal year, (b) all projects and owners thereof which have received any form of financial assistance from the Authority during such year, (c) the nature and amount of all such assistance, and (d) projected activities of the Authority for the next fiscal year, including projection of the total amount of loans and other financial assistance anticipated and the amount of revenue bonds or other evidences of indebtedness that will be necessary to provide the projected level of assistance during the next fiscal year.

The requirement for reporting to the General Assembly shall be satisfied by filing copies of the report with the Speaker, the Minority Leader and the Clerk of the House of Representatives and the President, the Minority Leader and the Secretary of the Senate and the Legislative Research Unit, as required by Section 3.1 of "An Act to revise the law in relation to the General Assembly", approved February 25, 1874, as amended, and filing such additional copies with the State Government Report Distribution Center for the General Assembly as is required under paragraph (t) of Section 7 of the State Library Act.

(Source: P.A. 88-519.)

Section 890-8. The Bond Authorization Act is amended by changing Section 2 as follows:

(30 ILCS 305/2) (from Ch. 17, par. 6602)

Sec. 2. Notwithstanding the provisions of any other law to the contrary, any public corporation may agree or contract to pay interest on bonds or other evidences of indebtedness and tax anticipation warrants issued pursuant to law at an interest rate or rates not exceeding the greater of 9% per annum or 125% of the rate for the most recent date shown in the 20 G.O. Bonds Index of average municipal bond yields as published in the most recent edition of The Bond Buyer, published in New York, New York (or any successor publication or index, or if such publication or index is no longer published, then any index of long term municipal tax-exempt bond yields then selected by a governing body), at the time the contract is made for the sale of the bonds or other evidences of indebtedness or tax anticipation warrants. A contract is made with respect to notes or bonds when the public corporation is contractually obligated to issue notes, bonds, or other evidences of indebtedness or tax anticipation

warrants to a purchaser who is contractually obligated to purchase them; and, with respect to bonds or notes bearing interest at a variable rate or subject to payment upon periodic demand or put or otherwise subject to remarketing by or for the public corporation, a contract is made on each date of change in the variable rate or such demand, put or remarketing. When bonds or other evidences of indebtedness or tax anticipation warrants are to be issued by a public corporation on a basis which is not tax-exempt under Section 103 of the Internal Revenue Code of 1986, as now or hereafter amended, or successor code or provision, then the interest rate or rates payable thereon shall be determined by substituting 13 1/2% for 9% and 200% for 125% in the first sentence of this Section.

These amendatory Acts of 1971, 1972, 1973, 1975, 1979, 1982, 1983, 1987 and 1988 are not limits upon any home rule unit.

This Act is not a limit with respect to any bonds, notes and other evidences of obligation for borrowed money issued by any public corporation and purchased or otherwise acquired by the Illinois Development Finance Authority, pursuant to Sections--7.50--through--7.61--of the Illinois Development Finance Authority Act, and such bonds, notes and other evidences of obligation for borrowed money may bear interest at any rate or rates, and such rate or rates may be established by an index or formula which may be implemented or established by persons appointed or retained therefor, notwithstanding any other provision of law to the contrary.

(Source: P.A. 85-1440.)

Section 890-9. The Human Services Provider Bond Reserve Payment Act is amended by changing Section 10 as follows:

Sec. 10. Definitions. For the purposes of this Act:

(a) "Service provider" means any nongovernmental entity, either for-profit or not-for-profit, that enters into a contract with a State agency under which the entity is paid or reimbursed by the State for providing human services to persons in Illinois.

(b) "State agency" means the Department of Public Aid, the Department of Public Health, the Department of Children and Family Services, the Department of Human Services, and any other department or agency of State government that enters into contracts with service providers under which the provider is paid or reimbursed by the State for providing human services to persons in Illinois.

(c) "Covered bond issue" means revenue bonds (i) that are issued by any agency of State or local government within this State, including without limitation bonds issued by the Illinois Development Finance Authority, (ii) that are to be directly or indirectly paid, in whole or in part, from payments due to a service provider under a human services contract with a State agency, and (iii) for which a debt service reserve or other reserve fund has been established, under the control of a named trustee, that the service provider is required to replenish in the event that moneys from the reserve fund are used to make payments of principal or interest on the bonds.

(Source: P.A. 88-117; 89-507, eff. 7-1-97.)

Section 890-10. The Build Illinois Act is amended by changing Sections 1-3 and 8-3 as follows:

(30 ILCS 750/1-3) (from Ch. 127, par. 2701-3)

Sec. 1-3. The following agencies, boards and entities of State government may expend appropriations for the purposes contained in this Act: Department of Natural Resources;

Department of Agriculture; Illinois Development Finance Authority; Capital Development Board; Department of Transportation; Department of Central Management Services; Illinois Arts Council; Environmental Protection Agency; Historic Preservation Agency; State Board of Higher Education; the Metropolitan Pier and Exposition Authority; State Board of Education; Illinois Community College Board; Board of Trustees of the University of Illinois; Board of Trustees of Chicago State University; Board of Trustees of Eastern Illinois University; Board of Trustees of Governors State University; Board of Trustees of Illinois State University; Board of Trustees of Northeastern Illinois University; Board of Trustees of Northern Illinois University; Board of Trustees of Western Illinois University; and Board of Trustees of Southern Illinois University.

(Source: P.A. 89-4, eff. 1-1-96; 89-445, eff. 2-7-96.)

(30 ILCS 750/8-3) (from Ch. 127, par. 2708-3)

Sec. 8-3. Powers of the Department. The Department has the power to:

(a) provide business development public infrastructure loans or grants from appropriations from the Build Illinois Bond Fund, the Build Illinois Purposes Fund, the Fund for Illinois' Future, and the Public Infrastructure Construction Loan Fund to local governments to provide or improve a community's public infrastructure so as to create or retain private sector jobs pursuant to the provisions of this Article;

(b) provide affordable financing of public infrastructure loans and grants to, or on behalf of, local governments, local public entities, medical facilities, and public health clinics from appropriations from the Public Infrastructure Construction Loan Fund for the purpose of assisting with the financing, or application and access to

financing, of a community's public infrastructure necessary to health, safety, and economic development;

(c) enter into agreements, accept funds or grants, and engage in cooperation with agencies of the federal government, or state or local governments to carry out the purposes of this Article, and to use funds appropriated pursuant to this Article to participate in federal infrastructure loan and grant programs upon such terms and conditions as may be established by the federal government;

(d) establish application, notification, contract, and other procedures, rules, or regulations deemed necessary and appropriate to carry out the provisions of this Article;

(e) coordinate assistance under this program with activities of the Illinois Development Finance Authority in order to maximize the effectiveness and efficiency of State development programs;

(f) coordinate assistance under the Affordable Financing of Public Infrastructure Loan and Grant Program with the activities of the Illinois Development Finance Authority, Illinois Rural Bond Bank, Illinois Farm Development Authority, Illinois Housing Development Authority, Illinois Environmental Protection Agency, and other federal and State programs and entities providing financing assistance to communities for public health, safety, and economic development infrastructure;

(f-5) provide staff, administration, and related support required to manage the programs authorized under this Article and pay for the staffing, administration, and related support from the Public Infrastructure Construction Loan Revolving Fund;

(g) exercise such other powers as are necessary or incidental to the foregoing.

(Source: P.A. 90-454, eff. 8-16-97; 91-34, eff. 7-1-99.)

Section 890-11. The Illinois Pension Code is amended by changing Sections 14-103.04 and 14-104.11 as follows:

(40 ILCS 5/14-103.04) (from Ch. 108 1/2, par. 14-103.04)

Sec. 14-103.04. Department. "Department": Any department, institution, board, commission, officer, court, or any agency of the State having power to certify payrolls to the State Comptroller authorizing payments of salary or wages against State appropriations, or against trust funds held by the State Treasurer, except those departments included under the term "employer" in the State Universities Retirement System. "Department" includes the Illinois Development Finance Authority. "Department" also includes the Illinois Comprehensive Health Insurance Board and the Illinois Rural Bond Bank.

(Source: P.A. 90-511, eff. 8-22-97.)

(40 ILCS 5/14-104.11)

Sec. 14-104.11. Illinois Development Finance Authority. An employee may establish creditable service for periods prior to the date upon which the Illinois Development Finance Authority first becomes a department (as defined in Section 14-103.04) during which he or she was employed by the Illinois Development Finance Authority or the Illinois Industrial Development Authority, by applying in writing and paying to the System an amount equal to (i) employee contributions for the period for which credit is being established, based upon the employee's compensation and the applicable contribution rate in effect on the date he or she last became a member of the System, plus (ii) the employer's normal cost of the credit established, plus (iii) interest on the amounts in items (i) and (ii) at the rate of 2.5% per year, compounded annually, from the date the applicant last became a member of the System to the date of payment. This

payment must be paid in full before retirement, either in a lump sum or in installment payments in accordance with the rules of the Board.

(Source: P.A. 90-511, eff. 8-22-97; 90-655, eff. 7-30-98.)

Section 890-12. The Local Government Financial Planning and Supervision Act is amended by changing Sections 4, 5, and 10 as follows:

(50 ILCS 320/4) (from Ch. 85, par. 7204)

Sec. 4. Petition.

(a) This subsection (a) applies through December 31, 1992. Any unit of local government upon a 2/3 vote of the members of its governing body may petition the Governor for the establishment of a financial planning and supervision commission if the governing body of the unit of local government determines that a fiscal emergency, as defined in Section 3, exists or will exist within 60 days. A copy of the petition shall be filed with the Illinois Development Finance Authority requesting the assistance of the Authority in conducting an analysis of the financial condition of the unit of local government. A petition shall include the conditions of fiscal emergency, a list of all amounts and types of indebtedness or claims known to the unit of local government, and which creditors are subject to the stay provisions of Section 7 of this Act.

(b) This subsection (b) applies on and after January 1, 1993. Any unit of local government upon a 2/3 vote of the members of its governing body may petition the Governor for the establishment of a financial planning and supervision commission if the governing body of the unit of local government determines that a fiscal emergency, as defined in Section 3, exists or will exist within 60 days. A petition shall include the conditions of fiscal emergency and a list

of all creditors of the unit of local government, which list shall indicate the names, addresses, amounts and types of indebtedness or claims of such creditors, and which of such creditors are subject to the stay provisions of Section 7 of this Act.

(Source: P.A. 86-1211; 87-853.)

(50 ILCS 320/5) (from Ch. 85, par. 7205)

Sec. 5. Establishment of commission.

(a) This subsection (a) applies through December 31, 1992.

(1) Upon receipt of a petition for establishment of a financial planning and supervision commission, the Governor may direct the establishment of such a commission if the Governor determines that a fiscal emergency exists.

(2) Prior to making such determination, the Governor shall give reasonable notice and opportunity for a hearing to all creditors of the petitioning unit of local government who are subject to the stay provisions of Section 7 of this Act. The determination shall be entered not less than 60 days after the filing of the petition. A determination of fiscal emergency by the Governor shall be a final administrative decision subject to the provisions of the Administrative Review Law. The court on such review may grant exceptions to the stay provisions of Section 7 of this Act as adequate protection of creditors' interests or equity may require. The commission shall convene within 30 days of the entry by the Governor of his or her determination of the fiscal emergency.

(3)(A) The Commission shall consist of 7 Directors.

(B) One Director shall be appointed by the chief executive officer of the unit of local government.

(C) One Director shall be appointed by the majority vote of the governing body of the unit of local

government.

(D) Five Directors shall be appointed by the Governor, with the advice and consent of the Senate. The Governor shall select one of the Directors to serve as Chairperson during the term of his or her appointment. Of the initial Directors so appointed, 3 shall be appointed to serve for terms expiring 3 years from the date of their appointment, and 2 shall be appointed to serve for terms expiring 2 years from the date of their appointment. Thereafter, each Director appointed by the Governor shall be appointed to hold office for a term of 3 years and until his or her successor has been appointed as provided in Section 8-12-7 of the Illinois Municipal Code. Directors shall be eligible for reappointment. Any vacancy which shall arise shall be filled by appointment by the Governor, with the advice and consent of the Senate, for the unexpired term and until a successor Director has been appointed as provided in Section 8-12-7 of the Illinois Municipal Code. A vacancy shall occur upon resignation, death, conviction of a felony, or removal from office of a Director. A Director may be removed for incompetency, malfeasance, or neglect of duty at the instance of the Governor. If the Senate is not in session or is in recess when appointments subject to its confirmation are made, the Governor shall make temporary appointments which shall be subject to subsequent Senate approval.

(b) This subsection (b) applies on and after January 1, 1993.

(1) Upon receipt of a petition for establishment of a financial planning and supervision commission, the Governor may direct the establishment of such a commission if the Governor determines that a fiscal emergency exists.

(2) Prior to making such determination, the Governor

shall give reasonable notice and opportunity for a hearing to all creditors of the petitioning unit of local government. The determination shall be entered not less than 60 days after the filing of the petition. A determination of fiscal emergency by the Governor shall be a final administrative decision subject to the provisions of the Administrative Review Law. The court on such review may grant exceptions to the stay provisions of Section 7 of this Act as adequate protection of creditors' interests or equity may require. The commission shall convene within 30 days of the entry by the Governor of his or her determination of the fiscal emergency.

(3) A commission shall consist of 11 members:

(A) Eight members as follows: the Governor, the State Comptroller, the Director of Revenue, the Director of the Bureau of the Budget, the State Treasurer, the Executive Director of the Illinois Development Finance Authority, the Director of the Department of Commerce and Community Affairs and the presiding officer of the governing body of the unit of local government, or their respective designees. A designee, when present, shall be counted in determining whether a quorum is present at any meeting of the commission and may vote and participate in all proceedings and actions of the commission. The designations shall be in writing, executed by the member making the designation, and filed with the secretary of the commission. The designations may be changed from time to time in like manner, but due regard shall be given to the need for continuity. The Governor shall appoint a chairman of the commission from among the 8 members described in this subparagraph (A).

(B) Three members nominated and appointed as follows: the governing body and chief governing officer of the unit of local government shall submit in writing

to the chairman of the commission the nomination of 5 persons agreed to by them and meeting the qualifications set forth in this Act. Nominations shall accompany the petition for establishment of the financial planning and supervision commission. If the chairman is not satisfied that at least 3 of the nominees are well qualified, he shall notify the governing body of the unit of local government to submit in writing, within 5 days, additional nominees, not exceeding 3. The chairman shall appoint 3 members from all the nominees so submitted or a lesser number that he considers well qualified. Each of the 3 appointed members shall serve for a term of one year, subject to removal by the chairman for misfeasance, nonfeasance or malfeasance in office. Upon the expiration of the term of an appointed member, or in the event of the death, resignation, incapacity or removal, or other ineligibility to serve of an appointed member, the chairman shall appoint a successor pursuant to the process of original appointment.

Each of the 3 appointed members shall be an individual:

(i) Who has knowledge and experience in financial matters, financial management, or business organization or operations, including experience in the private sector in management of business or financial enterprise, or in management consulting, public accounting, or other professional activity; and

(ii) Who has not at any time during the 2 years preceding the date of appointment held any elected public office.

The governing body and chief governing officer of the unit of local government, to the extent possible, shall nominate members whose residency, office, or

principal place of professional or business activity is situated within the unit of local government.

An appointed member of the commission shall not become a candidate for elected public office while serving as a member of the commission.

(4) Immediately after his appointment of the initial 3 appointed members of the commission, the chairman shall call the first meeting of the commission and shall cause written notice of the time, date and place of the first meeting to be given to each member of the commission at least 48 hours in advance of the meeting.

(5) The commission members shall select one of their number to serve as treasurer of the commission.

(Source: P.A. 86-1211; 87-853.)

(50 ILCS 320/10) (from Ch. 85, par. 7210)

Sec. 10. State aid.

(a) This subsection (a) applies through December 31, 1992.

(1) During the period of time that a unit of local government is covered by this Act, the State shall not be required to distribute to the unit of local government any monies to which the unit of local government might otherwise be entitled except in accordance with the direction of the commission.

(2) Any State assistance in the form of a loan or grant from appropriated funds shall be subject to the expenditure control of the commission.

(3) The commission may request the Illinois Development Finance Authority to issue bonds, notes, or other evidences of indebtedness, the proceeds of which are to be used to make loans to the unit of local government for purposes of enabling that unit of local government to restructure its current indebtedness and to

provide and pay for its essential municipal services. Such request may not precede the adoption of the financial plan required by Section 8 of this Act and shall be in accordance with the provisions of Section 7-88 of the Illinois Development Finance Authority Act.

(b) This subsection (b) applies on and after January 1, 1993. During the period of time that a unit of local government is covered by this Act, the State shall not be required to distribute to the unit of local government any monies to which the unit of local government might otherwise be entitled.

(Source: P.A. 86-1211; 87-853.)

Section 890-13. The Counties Code is amended by changing Section 5-1050 as follows:

(55 ILCS 5/5-1050) (from Ch. 34, par. 5-1050)

Sec. 5-1050. Acquisition and improvement of land for industrial or commercial purposes. For the public purposes set forth in the Illinois Development Finance Authority Act, a county board may (1) acquire, singly or jointly with other counties or municipalities, by gift, purchase or otherwise, but not by condemnation, land, or any interest in land, whether located within or without its county limits, and, singly or jointly, to improve or to arrange for the improvement of such land for industrial or commercial purposes and to donate and convey such land, or interest in land, so acquired and so improved to the Illinois Development Finance Authority; and (2) donate county funds to such Authority.

(Source: P.A. 86-962.)

Section 890-14. The Township Code is amended by changing Section 85-10 as follows:

(60 ILCS 1/85-10)

Sec. 85-10. Township corporate powers.

(a) Every township has the corporate capacity to exercise the powers granted to it, or necessarily implied, and no others. Every township has the powers specified in this Section.

(b) A township may sue and be sued.

(c) A township may acquire (by purchase, gift, or legacy) and hold property, both real and personal, for the use of its inhabitants and may sell and convey that property. A township may purchase any real estate or personal property for public purposes under contracts providing for payment in installments over a period of time of not more than 20 years in the case of real estate and not more than 10 years in the case of personal property. A township may finance the purchase of any real estate or personal property for public purpose under finance contracts providing for payment in installments over a period of time of not more than 20 years in the case of real estate and not more than 10 years in the case of personal property. A township may construct a township hall under contracts providing for payment over a period of time of not more than 5 years. The interest on the unpaid balance shall not exceed that permitted in the Bond Authorization Act.

(d) A township may make all contracts necessary in the exercise of the township's powers.

(e) A township may expend or contract for the expenditure of any federal funds made available to the township by law for any purpose for which taxes imposed upon township property or property within the township may be expended.

(f) A township may acquire (singly or jointly with a municipality or municipalities) land or any interest in land located within its township limits. The township may acquire

the land or interest by gift, purchase, or otherwise, but not by condemnation. A township may (singly or jointly) improve or arrange for the improvement of the land for industrial or commercial purposes and may donate and convey the land or interest in land so acquired and so improved to the Illinois Development Finance Authority.

(g) (Blank)

(h) It is the policy of this State that all powers granted either expressly or by necessary implication by this Code, any other Illinois statute, or the Illinois Constitution to townships may be exercised by those townships notwithstanding effects on competition. It is the intention of the General Assembly that the "State action exemption" to the application of federal antitrust statutes be fully available to townships to the extent their activities are authorized by law as stated in this Code.

(i) A township may receive funds under the federal Housing and Community Development Act of 1974 and may expend or contract for the expenditure of those funds and other township funds for the activities specified in Section 105 of that Act. The powers granted under this subsection (i) are in addition to powers otherwise possessed by a township and shall not be construed as a limitation of those other powers.

(j) A township may establish reasonable fees for recreation and instructional programs sponsored by the township.

(Source: P.A. 88-62; incorporates 88-356 and 88-360; 88-670, eff. 12-2-94; 89-331, eff. 8-17-95.)

Section 890-15. The Illinois Municipal Code is amended by changing Sections 8-12-2, 8-12-3, 8-12-6, 8-12-19, 8-12-21, 8-12-22, 11-74.1-1, 11-113.1-1, 11-119-2, 11-129-3, 11-139-7, and 11-141-5 as follows:

(65 ILCS 5/8-12-2) (from Ch. 24, par. 8-12-2)

Sec. 8-12-2. (a) Pursuant to the authority of the General Assembly to provide for the public health, safety and welfare, the General Assembly hereby finds and declares that it is the public policy and a public purpose of the State to offer assistance to a financially distressed city so that it may provide for the health, safety and welfare of its citizens, pay when due principal and interest on its debt obligations, meet financial obligations to its employees, vendors and suppliers, and provide for proper financial accounting procedures, budgeting and taxing practices, as well as strengthen the human and economic development of the city.

(b) It is the purpose of this Division to provide a secure financial basis for the continued operation of a financially distressed city. The intention of the General Assembly, in enacting this legislation is to establish sound, efficient and generally accepted accounting, budgeting and taxing procedures and practices within a financially distressed city, to provide powers to a financial advisory authority established for a financially distressed city, and to impose restrictions upon a financially distressed city in order to assist that city in assuring its financial integrity while leaving municipal services policies to the city, consistent with the requirements for satisfying the public policy and purposes herein set forth.

(c) It also is the purpose of this Division to authorize a city which has been certified and designated as a financially distressed city under the procedure set forth in Section 8-12-4, and which has by ordinance requested that a financial advisory authority be appointed for the city and that the city receive assistance as provided in this Division, and which has filed certified copies of that ordinance in the manner provided by Section 8-12-4, to enter

into such agreements as are necessary to receive assistance as provided in this Division and in applicable provisions of the Illinois Development Finance Authority Act.

(Source: P.A. 86-1211.)

(65 ILCS 5/8-12-3) (from Ch. 24, par. 8-12-3)

Sec. 8-12-3. As used in this Division:

(1) "Authority" means the "(Name of Financially Distressed City) Financial Advisory Authority".

(2) "Financially distressed city" means any municipality which is a home rule unit and which (i) is certified by the Department of Revenue as being in the highest 5% of all home rule municipalities in terms of the aggregate of the rate per cent of all taxes levied pursuant to statute or ordinance upon all taxable property of the municipality and as being in the lowest 5% of all home rule municipalities in terms of per capita tax yield, and (ii) is designated by joint resolution of the General Assembly as a financially distressed city.

(3) "Home rule municipality" means a municipality which is a home rule unit as provided in Section 6 of Article VII of the Illinois Constitution.

(4) "Budget" means an annual appropriation ordinance or annual budget as described in Division 2 of Article 8, as from time to time in effect in the financially distressed city.

(5) "Chairperson" means the chairperson of the Authority appointed pursuant to Section 8-12-7.

(6) "Financial Plan" means the financially distressed city's financial plan as developed pursuant to Section 8-12-15, as from time to time in effect.

(7) "Fiscal year" means the fiscal year of the financially distressed city.

(8) "Obligations" means bonds, notes or other evidence of indebtedness issued by the Illinois Development Finance

Authority in connection with the provision of financial aid to a financially distressed city pursuant to this Division and applicable provisions of the Illinois Development Finance Authority Act.

(Source: P.A. 86-1211.)

(65 ILCS 5/8-12-6) (from Ch. 24, par. 8-12-6)

Sec. 8-12-6. Purposes and powers.

(a) The purposes of the Authority shall be to provide a secure financial basis for and to furnish assistance to a financially distressed city to which this Division is applicable as provided in Section 8-12-4, and to request the Illinois Development Finance Authority to issue its Obligations on behalf of and thereby provide financial aid to the city in accordance with applicable provisions of the Illinois Development Finance Authority Act, so that the city can provide basic municipal services within its jurisdictional limits, while permitting the distressed city to meet its obligations to its creditors and the holders of its notes and bonds.

(b) Except as expressly limited by this Division, the Authority shall have all powers necessary to meet its responsibilities and to carry out its purposes and the purposes of this Division, including, but not limited to, the following powers:

(1) To provide for its organization and internal management, and to make rules and regulations governing the use of its property and facilities.

(2) To make and execute contracts, leases, subleases and all other instruments or agreements necessary or convenient for the exercise of the powers and functions granted by this Division.

(3) To approve all loans, grants, or other financial aid from any State agency.

(4) To appoint officers, agents, and employees of the Authority, define their duties and qualifications and fix their compensation and employee benefits.

(5) To engage the services of consultants for rendering professional and technical assistance and advice on matters within the Authority's power.

(6) To pay the expenses of its operations.

(7) To determine, in its discretion but consistent with the requirements of this Division, the terms and conditions of any loans it may make to the financially distressed city.

(c) Any loan repayments received by the Authority from the distressed city may be deposited by the Authority into a revolving fund under the control of the Authority. Money in the revolving fund may be used by the Authority to support activities leading to a restructuring of the distressed city's debt and may be pledged by the Authority as security for any new debt incurred by the distressed city with the approval of the Authority.

(d) From any funds appropriated to the Authority for the purpose of making a loan to a distressed city, the Authority may expend not more than \$250,000 for the expenses of its operations in the fiscal year in which the appropriation is made.

(Source: P.A. 88-664, eff. 9-16-94.)

(65 ILCS 5/8-12-19) (from Ch. 24, par. 8-12-19)

Sec. 8-12-19. The Authority shall appoint and shall have the authority to remove a financial management officer. The financial management officer shall have the responsibility for advising on the preparation of the Budget and Financial Plan of the financially distressed city and for monitoring expenditures of the city. The financial management officer shall be the authorized signatory for all expenditures made

from the proceeds of any State loans provided for the benefit of the city pursuant to this Division or any other law of this State, and for all expenditures made from financial aid provided for the benefit of the city from Obligations issued by the Illinois Development Finance Authority for such purposes in accordance with applicable provisions of the Illinois Development Finance Authority Act. The financial management officer shall be an employee of and shall report to the Authority, may be granted authority by the Authority to hire a specific number of employees to assist in meeting responsibilities, and shall have access to all financial data and records of the city which he or she deems necessary for the proper and efficient exercise of such responsibilities. Neither the Authority or the financial management officer shall have any authority to hire, fire or appoint city employees or to manage the day-to-day operations of the city. (Source: P.A. 86-1211.)

(65 ILCS 5/8-12-21) (from Ch. 24, par. 8-12-21)

Sec. 8-12-21. The Authority in its sole discretion may intercept any payments that the city from time to time is entitled to receive from any funds then or thereafter held by the State Treasurer to the credit of the city or otherwise in the custody of the State Treasurer to the credit of the city, whether in or outside of the State Treasury, upon the occurrence of any of the following:

(1) The financially distressed city's initial Financial Plan and revised Budget required to be submitted to the Authority with respect to the remaining portion of what is the city's current fiscal year at the time this Division first becomes applicable to the city as provided in Section 8-12-4 are not approved by the Authority within 60 days of their submission, and the Authority has theretofore given written warning notice to

the corporate authorities of the city, on the 45th day after such initial Financial Plan and revised Budget were submitted, that the same have not yet been approved by the Authority; or

(2) Any Financial Plan or Budget for any subsequent fiscal year is not approved by the Authority by the commencement of the fiscal year to which such Financial Plan or Budget relates, and the Authority has theretofore given written warning notice to the corporate authorities of the city, on the 15th day prior to the commencement of that fiscal year, that the Financial Plan or Budget for such fiscal year has not yet been approved by the Authority; or

(3) The financially distressed city materially violates the provisions of this Division, and the Authority -- at least 15 days prior to initiating any action to intercept any payments pursuant to this Section -- has given the corporate authorities of the city written notice of the material violation and of the Authority's intention to intercept payments pursuant to this Section upon the expiration of that 15 day notice period unless the city satisfies the Authority within that 15 day period that the material violation cited by the Authority has been corrected; provided that the Authority shall not be required to give any notice to the city or its corporate authorities prior to initiating action to intercept payments pursuant to this Section if such payments are to be intercepted because of the city's failure to pay when due all amounts then due and owing and required to be paid by the city on Obligations issued by the Illinois Development Finance Authority in connection with the provision of financial aid to the city pursuant to this Division and applicable provisions of the Illinois Development Finance Authority Act.

The intercept shall be made pursuant to written notice given by the Authority to the State Comptroller and State Treasurer, setting forth the amount of the intercept, which may be an aggregate amount not exceeding the sum of the full amount of any outstanding State loans provided for the benefit of the city pursuant to this Division or any other law of this State, plus the full amount of all outstanding Obligations issued by the Illinois Development Finance Authority on the financially distressed city's behalf in accordance with applicable provisions of the Illinois Development Finance Authority Act. The State Comptroller and State Treasurer shall pay to the Authority, from such funds as from time to time are legally available therefor, the aggregate amount of the intercept, unless the Authority sooner notifies the State Comptroller and State Treasurer in writing that no further payments that the city is entitled to receive shall be intercepted under the provisions of this Section.

(Source: P.A. 86-1211.)

(65 ILCS 5/8-12-22) (from Ch. 24, par. 8-12-22)

Sec. 8-12-22. (a) After the Authority has certified to the Governor that the financially distressed city has completed 10 successive years of balanced budgets:

(1) The powers and responsibilities granted or imposed upon the Authority and the financially distressed city under Section 8-12-13 and Sections 8-12-15 through 8-12-21 shall not be exercised, except as otherwise provided under subsection (b) of this Section.

(2) The provisions of Section 8-12-14 shall continue in full force and effect. The financially distressed city shall file with the Authority and with the Illinois Development Finance Authority, not later than 15 days prior to the commencement of the first

fiscal year with respect to which the powers and responsibilities granted or imposed under Section 8-12-13 and Sections 8-12-15 through 8-12-21 are not to be exercised, and not later than 15 days prior to the commencement of each fiscal year thereafter, a balanced Budget as adopted by the financially distressed city for such fiscal year. In addition, for each fiscal year with respect to which the powers and responsibilities granted or imposed under Section 8-12-13 and Sections 8-12-15 through 8-12-21 are not to be exercised, the financially distressed city shall file with the Authority and with the Illinois Development Finance Authority a certified copy of the same audit report and supplemental report which are required to be made and filed for such fiscal year by the city under the Illinois Municipal Auditing Law, the filing with the Authority and the Illinois Development Finance Authority to be made within the time provided for the filing of such audit report and supplemental report with the State Comptroller under Section 8-8-4.

(b) The Authority and the Illinois Development Finance Authority shall review each Budget, audit report and supplemental report filed with them as provided in paragraph (2) of subsection (a). In the event the financially distressed city fails to file any Budget or certified copy of an audit report or supplemental report as provided in paragraph (2) of subsection (a), or in the event the Illinois Development Finance Authority, after consultation with the Authority, determines that the Budget adopted by the financially distressed city and filed as provided in paragraph (2) of subsection (a) is not balanced as required under Section 8-12-14, the Illinois Development Finance Authority shall certify such failure to file, or failure to adopt a Budget which is balanced as required, to the

Governor; and concurrent with that certification, the Authority established under Section 8-12-5 and the financially distressed city shall resume the exercise and performance of their respective powers and responsibilities pursuant to each Section of this Division.

(c) When the Illinois Development Finance Authority determines that all of its Obligations have been fully paid and discharged or otherwise provided for, it shall certify that fact to the Governor; and the Authority established under Section 8-12-5 shall be abolished 30 days after the date of that certification. Upon abolition of the Authority as provided in this subsection, this Division shall have no further force or effect upon the financially distressed city.

(Source: P.A. 86-1211.)

(65 ILCS 5/11-74.1-1) (from Ch. 24, par. 11-74.1-1)

Sec. 11-74.1-1. For the public purposes set forth in the Illinois Development Finance Authority Act, the corporate authorities of each municipality may (1) acquire, singly or jointly with other municipalities or counties, by gift, purchase or otherwise, but not by condemnation, except in furtherance of ~~Sections--7.40--through-7.48-of~~ the Illinois Development Finance Authority Act, land, or any interest in land, whether located within or without its corporate limits, and, singly or jointly, may improve or arrange for the improvement of such land for industrial or commercial purposes and may donate and convey such land, or interest in land, so acquired and so improved, to the Illinois Development Finance Authority; and (2) donate corporate funds to such Authority.

(Source: P.A. 83-669.)

(65 ILCS 5/11-113.1-1) (from Ch. 24, par. 11-113.1-1)

Sec. 11-113.1-1. A non-home rule municipality located at

least partly in a county which is preparing a stormwater management plan in accordance with Section 5-1062 of the Counties Code may levy a tax upon all taxable property within its corporate limits, at a rate not to exceed 0.06% if the municipality owns and operates a wastewater treatment plant, and at a rate not to exceed 0.03% if it does not, of the value, as equalized or assessed by the Department of Revenue, of all taxable property within the municipality, for the purposes of implementing the stormwater management plan, improving storm sewer and combined sewer facilities, protecting sanitary sewage treatment works from the 100-year frequency flood, and acquiring lands, buildings and properties in the 100-year floodplain, paying the principal of and interest on any bonds issued pursuant to this Section for any of the foregoing purposes, and paying the principal of, premium, if any, and interest on, and any fees relating to, any loan made to such municipality by the Illinois Development Finance Authority, pursuant to ~~subsection (t)~~ of ~~Section 7~~ of the Illinois Development Finance Authority Act for any of the foregoing purposes, or any bond, note or other evidence of indebtedness of such municipality issued in connection with any such loan. Such tax shall be in addition to all other taxes authorized by law to be levied and collected in such municipality and shall be in addition to the maximum tax rate authorized by law for general municipal purposes. The limitations on tax rate provided in this Section may be increased or decreased by referendum in accordance with the provisions of Sections 18-120, 18-125, and 18-130 of the Property Tax Code.

However, unless the municipality is located at least partly in a township declared after July 1, 1986 by presidential declaration to be a disaster area as a result of flooding, the tax authorized by this Section shall not be levied until the question of its adoption, either for a

specified period or indefinitely, has been submitted to the electors thereof and approved by a majority of those voting on the question. This question may be submitted at any election held in the municipality after the adoption of a resolution by the governing body of the municipality providing for the submission of the question to the electors of the municipality. The governing body of the municipality shall certify the resolution and proposition to the proper election officials, who shall submit the proposition at an election in accordance with the general election law. If a majority of the votes cast on the question is in favor of the levy of such tax, it may thereafter be levied in such municipality for the specified period or indefinitely, as provided in the proposition. The question shall be put in substantially the following form:

Shall an annual tax be levied	
for stormwater management purposes	YES
(for a period of not more than	
..... years) at a rate not exceeding	-----
.....% of the equalized assessed	
value of the taxable property of	NO
(municipality)?	

Any municipality in a county which has established a stormwater management planning committee in accordance with Section 5-1062 of the Counties Code is hereby authorized to borrow money and to issue its bonds for the purposes of implementing the stormwater management plan, improving storm sewer and combined sewer facilities, protecting sanitary sewage treatment works from the 100-year frequency flood, and acquiring lands, buildings and properties in the 100-year floodplain.

Any municipality in a county which has established a

stormwater management planning committee in accordance with Section 5-1062 of the Counties Code is hereby further authorized to borrow money from the Illinois Development Finance Authority for the purpose of financing the protection of storm sewer outfalls, the construction of adequate storm sewer outfalls and the provision for flood protection of sanitary sewage treatment plants, pursuant to ~~subsection--(t)~~ ~~of--Section--7--of~~ the Illinois Development Finance Authority Act, and is hereby authorized to enter into loan agreements and other documents with the Illinois Development Finance Authority and to issue its bonds, notes or other evidences of indebtedness to evidence its obligation to repay such loan to the Illinois Development Finance Authority. Without the submission of the question to the electors, notwithstanding any other provision of law to the contrary, such municipality is hereby authorized to execute such loan agreements and other documents and to issue such bonds, notes or other evidences of indebtedness, which loan agreements, documents, bonds, notes or other evidences of indebtedness may bear such date or dates, may bear interest at such rate or rates, payable at such time or times, may mature at any time or times not later than 40 years from the date of issuance, may be payable at such place or places, may be payable from any funds of such municipality on hand and lawfully available therefor, including without limitation the taxes levied pursuant to this Section or from any other taxes or revenues of such municipality pledged to their payment, may be negotiated at such price or prices, may be executed in such manner, may be subject to redemption prior to maturity, may be in such form, may be secured, and may be subject to such other terms and conditions, all as may be provided in a resolution or ordinance authorizing the execution of any such loan agreement or other document or the issuance of such bonds, notes or other evidences of indebtedness.

(Source: P.A. 88-670, eff. 12-2-94.)

(65 ILCS 5/11-119-2) (from Ch. 24, par. 11-119-2)

Sec. 11-119-2. The corporate authorities of any city or village availing itself of the provisions of this Division 119 shall adopt an ordinance describing in a general way the improvements or extensions to be made. It shall not be necessary that the ordinance refer to plans and specifications nor that there be on file for public inspection prior to the adoption of such ordinance detailed plans and specifications of the project. The ordinance shall set out the estimated cost of the improvements or extensions and shall fix the amount of bonds proposed to be issued, the maturity, interest rate, and all details in respect thereof. Such ordinance, at the option of the municipality, may contain provisions which shall be part of the contract with the holders of the bonds as to: (1) The registration of the bonds as to principal only, or as to both principal and interest, and the interchangeability and exchangeability of the bonds. (2) The redemption of the bonds prior to maturity and the price, either at par or at a premium, at which they are redeemable. (3) The setting aside of reserves or sinking funds, and the regulation or disposition thereof. (4) Limitations upon the issuance of additional bonds payable from the revenues of the system, or upon the rights of the holders of these additional bonds. (5) Other agreements with the holders of the bonds, or covenants or restrictions necessary or desirable to safeguard the interests of these holders. After the ordinance has been adopted and approved it shall be published once in a newspaper published and having a general circulation in the municipality, or if there is no such newspaper, copies of the ordinance shall be posted in at least 4 public places within the municipality. The ordinance shall be in effect after the expiration of 10 days from the

date of this publication.

Bonds issued under this Division 119 shall be payable solely from the revenue derived from the electric light plant and system, or the gas plant and system, as the case may be, and these bonds shall not in any event constitute an indebtedness of the municipality within the meaning of any constitutional or statutory limitation; provided, that bonds issued under this Division 119 may also be payable from funds pledged by the municipality issuing such bonds pursuant to Section--7.59--of the Illinois Development Finance Authority Act, and, notwithstanding such pledge of such funds, shall not in any event constitute an indebtedness of the municipality within the meaning of any constitutional or statutory limitation. It shall be plainly stated on the face of each bond that it has been issued under the provisions of this Division 119 and that it does not constitute an indebtedness of the municipality within any constitutional or statutory limitation.

(Source: P.A. 85-659.)

(65 ILCS 5/11-129-3) (from Ch. 24, par. 11-129-3)

Sec. 11-129-3. The corporate authorities of any municipality availing itself of the provisions of this Division 129 shall adopt an ordinance describing in a general way the contemplated project. If it is intended to purchase an existing waterworks or water supply system, the ordinance shall describe in a general way the system to be purchased. If it is intended to build a waterworks or water supply system or to improve or extend a waterworks or water supply system owned and operated by the municipality, the ordinance shall describe in a general way the waterworks or water supply system to be constructed or the improvements or extensions to be made. It shall not be necessary that the ordinance refer to plans and specifications nor that there be

on file for public inspection prior to the adoption of such ordinance detailed plans and specifications of the project. The ordinance shall set out the estimated cost of the project, determine its period of usefulness, and fix the amount and maturities of water revenue bonds proposed to be issued, the interest rate, and all details in respect thereof. The ordinance may contain such covenants and restrictions upon the issuance of additional revenue bonds thereafter as may be deemed necessary or advisable for the assurance of payment of the bonds thereby authorized and as may be thereafter issued.

Revenue bonds issued under this Division 129 shall be payable solely from the revenue derived from the operation of the waterworks or water supply system on account of which the bonds are issued; provided, that bonds issued under this Division 129 may also be payable from funds pledged by the municipality issuing such bonds pursuant to ~~Section-7-59-of~~ the Illinois Development Finance Authority Act. Notwithstanding any such pledge or any other matter, these bonds shall not in any event constitute an indebtedness of the municipality within the meaning of any constitutional or statutory limitation and it shall be so stated on the face of each bond.

(Source: P.A. 85-659.)

(65 ILCS 5/11-139-7) (from Ch. 24, par. 11-139-7)

Sec. 11-139-7. Revenue bonds issued under this Division 139 shall be payable solely from the revenue derived from the operation of the combined waterworks and sewerage system on account of which the bonds are issued; provided, that bonds issued under this Division 139 may also be payable from funds pledged by the municipality issuing such bonds pursuant to ~~Section-7-59-of~~ the Illinois Development Finance Authority Act. Notwithstanding any such pledge or any other matter,

these bonds shall not in any event constitute an indebtedness of the municipality within the meaning of any constitutional or statutory limitation and it shall be so stated on the face of each bond.

(Source: P.A. 85-659.)

(65 ILCS 5/11-141-5) (from Ch. 24, par. 11-141-5)

Sec. 11-141-5. All bonds issued under this Division 141 are payable solely from the revenue derived from the operation of the sewerage system; provided, that bonds issued under this Division 141 may also be payable from funds pledged by the municipality issuing such bonds pursuant to ~~Section--7-59--of~~ the Illinois Development Finance Authority Act. Notwithstanding any such pledge or any other matter, these bonds shall not, in any event, constitute an indebtedness of the municipality within the meaning of any constitutional or statutory limitation. It shall be plainly stated on the face of each bond that the bond has been issued under this Division 141 and that it does not constitute an indebtedness of the municipality within any constitutional or statutory limitation.

(Source: P.A. 85-659.)

Section 890-16. The Joliet Arsenal Development Authority Act is amended by changing Section 40 as follows:

(70 ILCS 508/40)

Sec. 40. Acquisition.

(a) The Authority may, but need not, acquire title to any project with respect to which it exercises its authority.

(b) The Authority shall have power to acquire by purchase, lease, gift, or otherwise any property or rights therein from any person, the State of Illinois, any municipal corporation, any local unit of government, the government of

the United States, any agency or instrumentality of the United States, any body politic, or any county useful for its purposes, whether improved for the purposes of any prospective project or unimproved. The Authority may also accept any donation of funds for its purposes from any of those sources.

(c) The Authority shall have power to develop, construct, and improve, either under its own direction or through collaboration with any approved applicant, or to acquire through purchase or otherwise any project, using for that purpose the proceeds derived from its sale of revenue bonds, notes, or other evidences of indebtedness or governmental loans or grants, and to hold title in the name of the Authority to those projects.

(d) The Authority shall have the power to enter into intergovernmental agreements with the State of Illinois, the county of Will, the Illinois Development Finance Authority, ~~the Illinois Education Facilities Authority,~~ the Metropolitan Pier and Exposition Authority, the United States government, any agency or instrumentality of the United States, any unit of local government located within the territory of the Authority, or any other unit of government to the extent allowed by Article VII, Section 10 of the Illinois Constitution and the Intergovernmental Cooperation Act.

(e) The Authority shall have the power to share employees with other units of government, including agencies of the United States, agencies of the State of Illinois, and agencies or personnel of any unit of local government.

(f) Subject to subsection (i) of Section 35 of this Act, the Authority shall have the power to exercise powers and issue revenue bonds as if it were a municipality so authorized in Divisions 12.1, 74, 74.1, 74.3, and 74.5 of Article 11 of the Illinois Municipal Code.

(Source: P.A. 89-333, eff. 8-17-95.)

Section 890-17. The Quad Cities Regional Economic Development Authority Act, approved September 22, 1987, is amended by changing Section 14 as follows:

(70 ILCS 510/14) (from Ch. 85, par. 6214)

Sec. 14. Additional powers and duties. (a) The Authority may, but need not, acquire title to any project with respect to which it exercises its authority.

(b) The Authority shall have the power to enter into intergovernmental agreements with the State of Illinois, the counties of Rock Island, Henry or Mercer, the State of Iowa or any authority established by the State of Iowa, the Illinois Development Finance Authority, the Illinois Housing Development Authority, the--Illinois--Education--Facilities Authority, the United States government and any agency or instrumentality of the United States, any unit of local government located within the territory of the Authority or any other unit of government to the extent allowed by Article VII, Section 10 of the Illinois Constitution and the Intergovernmental Cooperation Act.

(c) The Authority shall have the power to share employees with other units of government, including agencies of the United States, agencies of the State of Illinois and agencies or personnel of any unit of local government.

(d) The Authority shall have the power to exercise powers and issue bonds as if it were a municipality so authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of Article 11 of the Illinois Municipal Code.

(Source: P.A. 85-713.)

Section 890-18. The Quad Cities Regional Economic Development Authority Act, certified December 30, 1987, is amended by changing Section 13 as follows:

(70 ILCS 515/13) (from Ch. 85, par. 6513)

Sec. 13. Additional powers and duties. (a) The Authority may, but need not, acquire title to any project with respect to which it exercises its authority.

(b) The Authority shall have the power to enter into intergovernmental agreements with the State of Illinois, the counties of Rock Island, Henry or Mercer, the State of Iowa or any authority established by the State of Iowa, the Illinois Development Finance Authority, the Illinois Housing Development Authority, ~~the--Illinois--Education--Facilities Authority,~~ the United States government and any agency or instrumentality of the United States, any unit of local government located within the territory of the Authority or any other unit of government to the extent allowed by Article VII, Section 10 of the Illinois Constitution and the Intergovernmental Cooperation Act.

(c) The Authority shall have the power to share employees with other units of government, including agencies of the United States, agencies of the State of Illinois and agencies or personnel of any unit of local government.

(d) The Authority shall have the power to exercise powers and issue bonds as if it were a municipality so authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of Article 11 of the Illinois Municipal Code.

(Source: P.A. 85-988.)

Section 890-19. The Southwestern Illinois Development Authority Act is amended by changing Section 8 as follows:

(70 ILCS 520/8) (from Ch. 85, par. 6158)

Sec. 8. (a) The Authority may, but need not, acquire title to any project with respect to which it exercises its authority.

(b) The Authority shall have power to acquire by

purchase, lease, gift or otherwise any property or rights therein from any person or persons, the State of Illinois, any municipal corporation, any local unit of government, the government of the United States and any agency or instrumentality of the United States, any body politic or any county useful for its purposes, whether improved for the purposes of any prospective project or unimproved. The Authority may also accept any donation of funds for its purposes from any such source. The Authority may acquire any real property, or rights therein, upon condemnation. The acquisition by eminent domain of such real property or any interest therein by the Authority shall be in the manner provided by the "Code of Civil Procedure", as now or hereafter amended, including Section 7-103 thereof.

The Authority shall not exercise any quick-take eminent domain powers granted by State law within the corporate limits of a municipality unless the governing authority of the municipality authorizes the Authority to do so. The Authority shall not exercise any quick-take eminent domain powers granted by State law within the unincorporated areas of a county unless the county board authorizes the Authority to do so.

(c) The Authority shall have power to develop, construct and improve, either under its own direction or through collaboration with any approved applicant, or to acquire through purchase or otherwise any project, using for such purpose the proceeds derived from its sale of revenue bonds, notes or other evidences of indebtedness or governmental loans or grants and to hold title in the name of the Authority to such projects.

(d) The Authority shall have the power to enter into intergovernmental agreements with the State of Illinois, the counties of Madison or St. Clair, the Southwest Regional Port District, the Illinois Development Finance Authority, the

Illinois Housing Development Authority, the---Illinois Education--Facilities--Autherity, the Metropolitan Pier and Exposition Authority, the United States government and any agency or instrumentality of the United States, the city of East St. Louis, any unit of local government located within the territory of the Authority or any other unit of government to the extent allowed by Article VII, Section 10 of the Illinois Constitution and the Intergovernmental Cooperation Act.

(e) The Authority shall have the power to share employees with other units of government, including agencies of the United States, agencies of the State of Illinois and agencies or personnel of any unit of local government.

(f) The Authority shall have the power to exercise powers and issue bonds as if it were a municipality so authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of Article 11 of the Illinois Municipal Code.

(Source: P.A. 89-343, eff. 8-17-95.)

Section 890-20. The Tri-County River Valley Development Authority Law is amended by changing Section 2008 as follows:

(70 ILCS 525/2008) (from Ch. 85, par. 7508)

Sec. 2008. Acquisition.

(a) The Authority may, but need not, acquire title to any project with respect to which it exercises its authority.

(b) The Authority shall have power to acquire by purchase, lease, gift or otherwise any property or rights therein from any person or persons, the State of Illinois, any municipal corporation, any local unit of government, the government of the United States and any agency or instrumentality of the United States, any body politic or any county useful for its purposes, whether improved for the purposes of any prospective project or unimproved. The

Authority may also accept any donation of funds for its purposes from any such source.

(c) The Authority shall have power to develop, construct and improve, either under its own direction or through collaboration with any approved applicant, or to acquire through purchase or otherwise any project, using for such purpose the proceeds derived from its sale of revenue bonds, notes or other evidences of indebtedness or governmental loans or grants and to hold title in the name of the Authority to such projects.

(d) The Authority shall have the power to enter into intergovernmental agreements with the State of Illinois, the counties of Peoria, Tazewell or Woodford, the Illinois Development Finance Authority, the Illinois Housing Development Authority, ~~the--Illinois--Education--Facilities Authority,~~ the Metropolitan Pier and Exposition Authority, the United States government and any agency or instrumentality of the United States, any unit of local government located within the territory of the Authority or any other unit of government to the extent allowed by Article VII, Section 10 of the Illinois Constitution and the Intergovernmental Cooperation Act.

(e) The Authority shall have the power to share employees with other units of government, including agencies of the United States, agencies of the State of Illinois and agencies or personnel of any unit of local government.

(f) The Authority shall have the power to exercise powers and issue bonds as if it were a municipality so authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of Article 11 of the Illinois Municipal Code.

(Source: P.A. 86-1489.)

Section 890-21. The Upper Illinois River Valley Development Authority Act is amended by changing Section 8 as

follows:

(70 ILCS 530/8) (from Ch. 85, par. 7158)

Sec. 8. Acquisition.

(a) The Authority may, but need not, acquire title to any project with respect to which it exercises its authority.

(b) The Authority shall have power to acquire by purchase, lease, gift or otherwise any property or rights therein from any person or persons, the State of Illinois, any municipal corporation, any local unit of government, the government of the United States and any agency or instrumentality of the United States, any body politic or any county useful for its purposes, whether improved for the purposes of any prospective project or unimproved. The Authority may also accept any donation of funds for its purposes from any such source.

(c) The Authority shall have power to develop, construct and improve, either under its own direction or through collaboration with any approved applicant, or to acquire through purchase or otherwise any project, using for such purpose the proceeds derived from its sale of revenue bonds, notes or other evidences of indebtedness or governmental loans or grants and to hold title in the name of the Authority to such projects.

(d) The Authority shall have the power to enter into intergovernmental agreements with the State of Illinois, the counties of Grundy, LaSalle, Bureau, Putnam or Marshall, the Illinois Development Finance Authority, the Illinois Housing Development Authority, ~~the--Illinois--Education--Facilities Authority,~~ the Metropolitan Pier and Exposition Authority, the United States government and any agency or instrumentality of the United States, any unit of local government located within the territory of the Authority or any other unit of government to the extent allowed by Article

VII, Section 10 of the Illinois Constitution and the Intergovernmental Cooperation Act.

(e) The Authority shall have the power to share employees with other units of government, including agencies of the United States, agencies of the State of Illinois and agencies or personnel of any unit of local government.

(f) The Authority shall have the power to exercise powers and issue bonds as if it were a municipality so authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of Article 11 of the Illinois Municipal Code.

(Source: P.A. 86-1024; 87-895.)

Section 890-22. The Will-Kankakee Regional Development Authority Law is amended by changing Section 8 as follows:

(70 ILCS 535/8) (from Ch. 85, par. 7458)

Sec. 8. Acquisition.

(a) The Authority may, but need not, acquire title to any project with respect to which it exercises its authority.

(b) The Authority shall have power to acquire by purchase, lease, gift or otherwise any property or rights therein from any person or persons, the State of Illinois, any municipal corporation, any local unit of government, the government of the United States and any agency or instrumentality of the United States, any body politic or any county useful for its purposes, whether improved for the purposes of any prospective project or unimproved. The Authority may also accept any donation of funds for its purposes from any such source.

(c) The Authority shall have power to develop, construct and improve, either under its own direction or through collaboration with any approved applicant, or to acquire through purchase or otherwise any project, using for such purpose the proceeds derived from its sale of revenue bonds,

notes or other evidences of indebtedness or governmental loans or grants and to hold title in the name of the Authority to such projects.

(d) The Authority shall have the power to enter into intergovernmental agreements with the State of Illinois, the counties of Will and Kankakee, the Illinois Development Finance Authority, ~~the---Illinois---Education--Facilities Authority,~~ the Metropolitan Pier and Exposition Authority, the United States government and any agency or instrumentality of the United States, any unit of local government located within the territory of the Authority or any other unit of government to the extent allowed by Article VII, Section 10 of the Illinois Constitution and the Intergovernmental Cooperation Act.

(e) The Authority shall have the power to share employees with other units of government, including agencies of the United States, agencies of the State of Illinois and agencies or personnel of any unit of local government.

(f) The Authority shall have the power to exercise powers and issue bonds as if it were a municipality so authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of Article 11 of the Illinois Municipal Code.

(Source: P.A. 86-1481.)

Section 890-23. The Sanitary District Act of 1907 is amended by changing Section 17.1 as follows:

(70 ILCS 2205/17.1) (from Ch. 42, par. 263.1)

Sec. 17.1. The board of trustees of a sanitary district that owns and operates a wastewater treatment plant in a county which has established a stormwater management planning committee in accordance with Section 5-1062 of the Counties Code may levy a tax upon all taxable property within its district at a rate not to exceed 0.03% of the value of such

property, as equalized or assessed by the Department of Revenue, for the purposes of protecting pumping stations, wastewater treatment plants and combined sewer outfalls from the 100-year flood, paying the principal of and interest on any bonds issued pursuant to this Section for any of the foregoing purposes, and paying the principal of, premium, if any, and interest on, and any fees relating to, any loan made to such sanitary district by the Illinois Development Finance Authority, pursuant to subsection--(t)--of-Section-7-of the Illinois Development Finance Authority Act, for any of the foregoing purposes, or any bond, note or other evidence of indebtedness of such municipality issued in connection with any such loan. The 0.03% limitation provided in this Section may be increased or decreased by referendum in accordance with the provisions of Sections 18-120, 18-125, and 18-130 of the Property Tax Code.

The tax authorized by this Section may be levied without referendum by any sanitary district that is located at least partly in a township declared after July 1, 1986 by presidential declaration to be a disaster area as a result of flooding. However, the tax authorized by this Section shall not be levied by any sanitary district not so located unless the question of its adoption, either for a specified period or indefinitely, is submitted to the electors thereof and approved by a majority of those voting on the question. This question may be submitted at any election held in the sanitary district after the adoption of a resolution by the board of trustees of the sanitary district providing for the submission of the question to the electors of the sanitary district. The board of trustees shall certify the resolution and proposition to the proper election officials, who shall submit the proposition at an election in accordance with the general election law. If a majority of the votes cast on the question is in favor of the levy of such tax, it may

thereafter be levied in such sanitary district for the specified period or indefinitely, as provided in the proposition. The question shall be put in substantially the following form:

Shall an annual tax be levied
for stormwater management purposes YES
(for a period of not more than
..... years) at a rate not exceeding -----
0.03% of the equalized assessed
value of the taxable property of NO
the Sanitary District?

Any sanitary district in a county that has established a stormwater management planning committee in accordance with Section 5-1062 of the Counties Code is hereby authorized to borrow money and to issue its bonds for the purposes of protecting pumping stations, wastewater treatment plants and combined sewer outfalls from the 100-year flood.

Any sanitary district in a county that has established a stormwater management planning committee in accordance with Section 5-1062 of the Counties Code is hereby further authorized to borrow money from the Illinois Development Finance Authority for the purpose of financing the provision of flood protection for sanitary sewage treatment plants, pursuant to subsection--(t)--of--Section--7--of the Illinois Development Finance Authority Act, and is hereby authorized to enter into loan agreements and other documents with the Illinois Development Finance Authority and to issue its bonds, notes or other evidences of indebtedness to evidence its obligation to repay such loan to the Illinois Development Finance Authority. Without the submission of the question to the electors, notwithstanding any other provision of law to the contrary, such sanitary district is hereby authorized to

execute such loan agreements and other documents and to issue such bonds, notes or other evidences of indebtedness, which loan agreements, documents, bonds, notes or other evidences of indebtedness may bear such date or dates, may bear interest at such rate or rates, payable at such time or times, may mature at any time or times not later than 40 years from the date of issuance, may be payable at such place or places, may be payable from any funds of such sanitary district on hand and lawfully available therefor, including without limitation the taxes levied pursuant to this Section or from any other taxes or revenues of such sanitary district pledged to their payment, may be negotiated at such price or prices, may be executed in such manner, may be subject to redemption prior to maturity, may be in such form, may be secured, and may be subject to such other terms and conditions, all as may be provided in a resolution or ordinance authorizing the execution of any such loan agreement or other document or the issuance of such bonds, notes or other evidences of indebtedness.

(Source: P.A. 88-670, eff. 12-2-94.)

Section 890-24. The Family Practice Residency Act is amended by changing Section 10 as follows:

(110 ILCS 935/10) (from Ch. 144, par. 1460)

Sec. 10. Scholarship recipients who fail to fulfill the obligation described in subsection (d) of Section 3.07 of this Act shall pay to the Department a sum equal to 3 times the amount of the annual scholarship grant for each year the recipient fails to fulfill such obligation. A scholarship recipient who fails to fulfill the obligation described in subsection (d) of Section 3.07 shall have 30 days from the date on which that failure begins in which to enter into a contract with the Department that sets forth the manner in

which that sum is required to be paid. If the contract is not entered into within that 30 day period or if the contract is entered into but the required payments are not made in the amounts and at the times provided in the contract, the scholarship recipient also shall be required to pay to the Department interest at the rate of 9% per annum on the amount of that sum remaining due and unpaid. The amounts paid to the Department under this Section shall be deposited into the Community Health Center Care Fund and shall be used by the Department to improve access to primary health care services as authorized by subsection (a) of Section 2310-200 of the Department of Public Health Powers and Duties Law (20 ILCS 2310/2310-200).

The Department may transfer to the Illinois Development Finance Authority, into an account outside the State treasury, moneys in the Community Health Center Care Fund as needed, but not to exceed an amount established, by rule, by the Department to establish a reserve or credit enhancement escrow account to support a financing program or a loan or equipment leasing program to provide moneys to support the purposes of subsection (a) of Section 2310-200 of the Department of Public Health Powers and Duties Law (20 ILCS 2310/2310-200). The disposition of moneys at the conclusion of any financing program under this Section shall be determined by an interagency agreement.

(Source: P.A. 90-405, eff. 1-1-98; 91-239, eff. 1-1-00.)

Section 890-25. The Illinois Public Aid Code is amended by changing Sections 11-3 and 11-3.3 as follows:

(305 ILCS 5/11-3) (from Ch. 23, par. 11-3)

Sec. 11-3. Assignment and attachment of aid prohibited. Except as provided below in this Section and in Section 11-3.3, all financial aid given under Articles III, IV, V,

and VI and money payments for child care services provided by a child care provider under Articles IX and IXA shall not be subject to assignment, sale, attachment, garnishment, or otherwise. Provided, however, that a medical vendor may use his right to receive vendor payments as collateral for loans from financial institutions so long as such arrangements do not constitute any activity prohibited under Section 1902(a)(32) of the Social Security Act and regulations promulgated thereunder, or any other applicable laws or regulations. Provided further, however, that a medical or other vendor or a service provider may assign, reassign, sell, pledge or grant a security interest in any such financial aid, vendor payments or money payments or grants which he has a right to receive to the Illinois Health Facilities Authority, in connection with any financing program undertaken by the Illinois Health Facilities Authority, or to the Illinois Development Finance Authority, in connection with any financing program undertaken by the Illinois Development Finance Authority. Each Authority may utilize a trustee or agent to accept, accomplish, effectuate or realize upon any such assignment, reassignment, sale, pledge or grant on that Authority's behalf. Provided further, however, that nothing herein shall prevent the Illinois Department from collecting any assessment, fee, interest or penalty due under Article V-A, V-B, V-C, or V-E by withholding financial aid as payment of such assessment, fee, interest, or penalty. Any alienation in contravention of this statute does not diminish and does not affect the validity, legality or enforceability of any underlying obligations for which such alienation may have been made as collateral between the parties to the alienation. This amendatory Act shall be retroactive in application and shall pertain to obligations existing prior to its enactment.

(Source: P.A. 92-111, eff. 1-1-02.)

(305 ILCS 5/11-3.3) (from Ch. 23, par. 11-3.3)

Sec. 11-3.3. Payment to provider or governmental agency or entity. Payments under this Code shall be made to the provider, except that the Department may issue or may agree to issue the payment directly to the Illinois Health Facilities Authority, the Illinois Development Finance Authority, or any other governmental agency or entity, including any bond trustee for that agency or entity, to whom the provider has assigned, reassigned, sold, pledged or granted a security interest in the payments that the provider has a right to receive, provided that the issuance or agreement to issue is not prohibited under Section 1902(a)(32) of the Social Security Act.

(Source: P.A. 87-842.)

Section 890-26. The Illinois Affordable Housing Act is amended by changing Section 6 as follows:

(310 ILCS 65/6) (from Ch. 67 1/2, par. 1256)

Sec. 6. Advisory Commission.

(a) There is hereby created the Illinois Affordable Housing Advisory Commission. The Commission shall consist of 15 members. Three of the Commissioners shall be the Directors of the Illinois Housing Development Authority, the Illinois Development Finance Authority and the Department of Commerce and Community Affairs or their representatives. One of the Commissioners shall be the Commissioner of the Chicago Department of Housing or its representative. The remaining 11 members shall be appointed by the Governor, with the advice and consent of the Senate, and not more than 4 of these Commission members shall reside in any one county in the State. At least one Commission member shall be an administrator of a public housing authority from other than a municipality having a population in excess of 2,000,000; at

least 2 Commission members shall be representatives of special needs populations as described in subsection (e) of Section 8; at least 4 Commission members shall be representatives of community-based organizations engaged in the development or operation of housing for low-income and very low-income households; and at least 4 Commission members shall be representatives of advocacy organizations, one of which shall represent a tenants' advocacy organization. The Governor shall consider nominations made by advocacy organizations and community-based organizations.

(b) Members appointed to the Commission shall serve a term of 3 years; however, 3 members first appointed under this Act shall serve an initial term of one year, and 4 members first appointed under this Act shall serve a term of 2 years. Individual terms of office shall be chosen by lot at the initial meeting of the Commission. The Governor shall appoint the Chairman of the Commission, and the Commission members shall elect a Vice Chairman.

(c) Members of the Commission shall not be entitled to compensation, but shall receive reimbursement for actual and reasonable expenses incurred in the performance of their duties.

(d) Eight members of the Commission shall constitute a quorum for the transaction of business.

(e) The Commission shall meet at least quarterly and its duties and responsibilities are:

(1) the study and review of the availability of affordable housing for low-income and very low-income households in the State of Illinois and the development of a plan which addresses the need for additional affordable housing;

(2) encouraging collaboration between federal and State agencies, local government and the private sector in the planning, development and operation of affordable

housing for low-income and very low-income households;

(3) studying, evaluating and soliciting new and expanded sources of funding for affordable housing;

(4) developing, proposing, reviewing, and commenting on priorities, policies and procedures for uses and expenditures of Trust Fund monies, including policies which assure equitable distribution of funds statewide;

(5) making recommendations to the Program Administrator concerning proposed expenditures from the Trust Fund;

(6) making recommendations to the Program Administrator concerning the developments proposed to be financed with the proceeds of Affordable Housing Program Trust Fund Bonds or Notes;

(7) reviewing and commenting on the development of priorities, policies and procedures for the administration of the Program;

(8) monitoring and evaluating all allocations of funds under this Program; and

(9) making recommendations to the General Assembly for further legislation that may be necessary in the area of affordable housing.

(Source: P.A. 88-93; 89-286, eff. 8-10-95.)

Section 890-27. The Illinois Rural/Downstate Health Act is amended by changing Section 4 as follows:

(410 ILCS 65/4) (from Ch. 111 1/2, par. 8054)

Sec. 4. The Center shall have the authority:

(a) To assist rural communities and communities in designated shortage areas by providing technical assistance to community leaders in defining their specific health care needs and identifying strategies to address those needs.

(b) To link rural communities and communities in designated shortage areas with other units in the Department or other State agencies which can assist in the solution of a health care access problem.

(c) To maintain and disseminate information on innovative health care strategies, either directly or indirectly.

(d) To administer State or federal grant programs relating to rural health or medically underserved areas established by State or federal law for which funding has been made available.

(e) To promote the development of primary care services in rural areas and designated shortage areas. Subject to available appropriations, the Department may annually award grants of up to \$300,000 each to enable the health services in those areas to offer multi-service comprehensive ambulatory care, thereby improving access to primary care services. Grants may cover operational and facility construction and renovation expenses, including but not limited to the cost of personnel, medical supplies and equipment, patient transportation, and health provider recruitment. The Department shall prescribe by rule standards and procedures for the provision of local matching funds in relation to each grant application. Grants provided under this paragraph (e) shall be in addition to support and assistance provided under subsection (a) of Section 2310-200 of the Department of Public Health Powers and Duties Law (20 ILCS 2310/2310-200). Eligible applicants shall include, but not be limited to, community-based organizations, hospitals, local health departments, and Community Health Centers as defined in Section 4.1 of this Act.

(f) To annually provide grants from available appropriations to hospitals located in medically underserved areas or health manpower shortage areas as defined by the

United States Department of Health and Human Services, whose governing boards include significant representation of consumers of hospital services residing in the area served by the hospital, and which agree not to discriminate in any way against any consumer of hospital services based upon the consumer's source of payment for those services. Grants that may be awarded under this paragraph (f) shall be limited to \$500,000 and shall not exceed 50% of the total project need indicated in each application. Expenses covered by the grants may include but are not limited to facility renovation, equipment acquisition and maintenance, recruitment of health personnel, diversification of services, and joint venture arrangements.

(g) To establish a recruitment center which shall actively recruit physicians and other health care practitioners to participate in the program, maintain contacts with participating practitioners, actively promote health care professional practice in designated shortage areas, assist in matching the skills of participating medical students with the needs of community health centers in designated shortage areas, and assist participating medical students in locating in designated shortage areas.

(h) To assist communities in designated shortage areas find alternative services or temporary health care providers when existing health care providers are called into active duty with the armed forces of the United States.

(i) To develop, in cooperation with the Illinois Development Finance Authority, financing programs whose goals and purposes shall be to provide moneys to carry out the purpose of this Act, including, but not limited to, revenue bond programs, revolving loan programs, equipment leasing programs, and working cash programs. The Department may transfer to the Illinois Development Finance Authority, into an account outside of the State treasury, moneys in special

funds of the Department for the purposes of establishing those programs. The disposition of any moneys so transferred shall be determined by an interagency agreement.

(Source: P.A. 91-239, eff. 1-1-00; 91-357, eff. 7-29-99; 92-16, eff. 6-28-01.)

Section 890-28. The Prevailing Wage Act is amended by changing Section 2 as follows:

(820 ILCS 130/2) (from Ch. 48, par. 39s-2)

Sec. 2. This Act applies to the wages of laborers, mechanics and other workers employed in any public works, as hereinafter defined, by any public body and to anyone under contracts for public works.

As used in this Act, unless the context indicates otherwise:

"Public works" means all fixed works constructed for public use by any public body, other than work done directly by any public utility company, whether or not done under public supervision or direction, or paid for wholly or in part out of public funds. "Public works" as defined herein includes all projects financed in whole or in part with bonds issued under the Industrial Project Revenue Bond Act (Article 11, Division 74 of the Illinois Municipal Code), the Industrial Building Revenue Bond Act, the Illinois Development Finance Authority Act, the Illinois Sports Facilities Authority Act, or the Build Illinois Bond Act, and all projects financed in whole or in part with loans or other funds made available pursuant to the Build Illinois Act.

"Construction" means all work on public works involving laborers, workers or mechanics.

"Locality" means the county where the physical work upon public works is performed, except (1) that if there is not available in the county a sufficient number of competent

skilled laborers, workers and mechanics to construct the public works efficiently and properly, "locality" includes any other county nearest the one in which the work or construction is to be performed and from which such persons may be obtained in sufficient numbers to perform the work and (2) that, with respect to contracts for highway work with the Department of Transportation of this State, "locality" may at the discretion of the Secretary of the Department of Transportation be construed to include two or more adjacent counties from which workers may be accessible for work on such construction.

"Public body" means the State or any officer, board or commission of the State or any political subdivision or department thereof, or any institution supported in whole or in part by public funds, authorized by law to construct public works or to enter into any contract for the construction of public works, and includes every county, city, town, village, township, school district, irrigation, utility, reclamation improvement or other district and every other political subdivision, district or municipality of the state whether such political subdivision, municipality or district operates under a special charter or not.

The terms "general prevailing rate of hourly wages", "general prevailing rate of wages" or "prevailing rate of wages" when used in this Act mean the hourly cash wages plus fringe benefits for training and apprenticeship programs approved by the U.S. Department of Labor, Bureau of Apprenticeship and Training, health and welfare, insurance, vacations and pensions paid generally, in the locality in which the work is being performed, to employees engaged in work of a similar character on public works.

(Source: P.A. 91-105, eff. 1-1-00; 91-935, eff. 6-1-01; 92-16, eff. 6-28-01.)

Section 890-29. The Transportation Cooperation Act of 1971 is amended by changing Section 2 as follows:

(5 ILCS 225/2) (from Ch. 111 2/3, par. 602)

Sec. 2. For the purposes of this Act:

(a) "Railroad passenger service" means any railroad passenger service within the State of Illinois, including the equipment and facilities used in connection therewith, with the exception of the basic system operated by the National Railroad Passenger Corporation pursuant to Title II and Section 403(a) of the Federal Rail Passenger Service Act of 1970.

(b) "Federal Railroad Corporation" means the National Railroad Passenger Corporation established pursuant to an Act of Congress known as the "Rail Passenger Service Act of 1970."

(c) "Transportation system" means any and all modes of public transportation within the State, including, but not limited to, transportation of persons or property by rapid transit, rail, bus, and aircraft, and all equipment, facilities and property, real and personal, used in connection therewith.

(d) "Carrier" means any corporation, authority, partnership, association, person or district authorized to maintain a transportation system within the State with the exception of the Federal Railroad Corporation.

(e) "Units of local government" means cities, villages, incorporated towns, counties, municipalities, townships, and special districts, including any district created pursuant to the "Local Mass Transit District Act", approved July 21, 1959, as amended; any Authority created pursuant to the "Metropolitan Transit Authority Act", approved April 12, 1945, as amended; and, any authority, commission or other entity which by virtue of an interstate compact approved by

Congress is authorized to provide mass transportation.

(f) "Universities" means all public institutions of higher education as defined in an "Act creating a Board of Higher Education, defining its powers and duties, making an appropriation therefor, and repealing an Act herein named", approved August 22, 1961, as amended, and all private institutions of higher education as defined in the Illinois Finance Educational-Facilities Authority Act.

(g) "Department" means the Illinois Department of Transportation, or such other department designated by law to perform the duties and functions of the Illinois Department of Transportation prior to January 1, 1972.

(h) "Association" means any Transportation Service Association created pursuant to Section 4 of this Act.

(i) "Contracting Parties" means any units of local government or universities which have associated and joined together pursuant to Section 3 of this Act.

(j) "Governing authorities" means (1) the city council or similar legislative body of a city; (2) the board of trustees or similar body of a village or incorporated town; (3) the council of a municipality under the commission form of municipal government; (4) the board of trustees in a township; (5) the Board of Trustees of the University of Illinois, the Board of Trustees of Southern Illinois University, the Board of Trustees of Chicago State University, the Board of Trustees of Eastern Illinois University, the Board of Trustees of Governors State University, the Board of Trustees of Illinois State University, the Board of Trustees of Northeastern Illinois University, the Board of Trustees of Northern Illinois University, the Board of Trustees of Western Illinois University, and the Illinois Community College Board; (6) the county board of a county; and (7) the trustees, commissioners, board members, or directors of a university,

special district, authority or similar agency.

(Source: P.A. 89-4, eff. 1-1-96.)

Section 890-30. The Capital Development Board Act is amended by changing Section 3 as follows:

(20 ILCS 3105/3) (from Ch. 127, par. 773)

Sec. 3. As used in this Act, unless the context otherwise requires:

"Board" means the Capital Development Board.

"State agency" means and includes each officer, department, board, commission, institution, body politic and corporate of the State including the Illinois Building Authority, school districts, and any other person expending or encumbering State or federal funds by virtue of an appropriation or other authorization by the General Assembly or federal authorization or grant. Except as otherwise expressly authorized by the General Assembly, the term does not include the Department of Transportation, the Department of Natural Resources, or Environmental Protection Agency, except as respects buildings used by the Department or Agency for its officers, employees, or equipment, or any of them, and for capital improvements related to such buildings. Nor does the term include the Illinois Housing Development Authority, the Illinois Finance Educational~~---Facilities~~ Authority or the St. Louis Metropolitan Area Airport Authority.

"School District" means any school district or special charter district as defined in Section 1-3 of "The School Code", approved March 18, 1961, as amended, or any administrative district, or governing board, of a joint agreement organized under Section 10-22.31 of the School Code.

(Source: P.A. 89-445, eff. 2-7-96.)

Section 890-31. The Higher Education Loan Act is amended by changing the title and Sections 3, 3.01, and 5 as follows:

(110 ILCS 945/Act title)

An Act relating to the Illinois Finance Educational Facilities Authority and certain of its powers and duties.

(Source: P.A. 85-1326.)

(110 ILCS 945/3) (from Ch. 144, par. 1603)

Sec. 3. Definitions. In this Act, unless the context otherwise requires, the terms specified in Sections 3.01 through 3.13 of this Act and Sections 3.01--through--3.09--of the Illinois Finance Educational Facilities Authority Act have the meanings ascribed to them in those Acts Sections.

(Source: P.A. 88-555, eff. 7-27-94.)

(110 ILCS 945/3.01) (from Ch. 144, par. 1603.01)

Sec. 3.01. Authority. "Authority" means the Illinois State Finance Educational-Facilities Authority created by the Illinois State Finance Educational-Facilities Authority Act.

(Source: P.A. 85-1326.)

(110 ILCS 945/5) (from Ch. 144, par. 1605)

Sec. 5. Transfer of functions from the Illinois Educational Facilities Independent--Higher--Education--Loan Authority to the Illinois Finance Educational--Facilities Authority. The Illinois Finance Educational--Facilities Authority created by the Illinois Finance Educational Facilities Authority Act shall succeed to, assume and exercise all rights, powers, duties and responsibilities formerly exercised by the Illinois Educational Facilities Independent--Higher--Education--Loan Authority prior to the abolition of that Authority by this amendatory Act of the 93rd General Assembly 1988. All books, records, papers,

documents and pending business in any way pertaining to the former Illinois Educational Facilities Independent-Higher Education-Lean Authority are transferred to the Illinois State Finance Educational--Facilities Authority, but any rights or obligations of any person under any contract made by, or under any rules, regulations, uniform standards, criteria and guidelines established or approved by, such former Illinois Educational Facilities Independent--Higher Education--Lean Authority shall be unaffected thereby. All bonds, notes or other evidences of indebtedness outstanding on the effective date of this amendatory Act of the 93rd General Assembly 1988 shall be unaffected by the transfer of functions to the Illinois Finance Educational-Facilities Authority. No rule, regulation, standard, criteria or guideline promulgated, established or approved by the former Illinois Educational Facilities Independent-Higher--Education Lean Authority pursuant to an exercise of any right, power, duty or responsibility assumed by and transferred to the Illinois Finance Educational--Facilities Authority shall be affected by this amendatory Act of the 93rd General Assembly 1988, and all such rules, regulations, standards, criteria and guidelines shall become those of the Illinois Finance Educational--Facilities Authority until such time as they are amended or repealed by the Authority.

(Source: P.A. 85-1326.)

Section 890-32. The Rural Diversification Act is amended by changing Sections 2, 3, 4, and 5 as follows:

(20 ILCS 690/2) (from Ch. 5, par. 2252)

Sec. 2. Findings and declaration of policy. The General Assembly hereby finds, determines and declares:

(a) That Illinois is a state of diversified economic strength and that an important economic strength in Illinois

is derived from rural business production and the agribusiness industry;

(b) That the Illinois rural economy is in a state of transition, which presents a unique opportunity for the State to act on its growth and development;

(c) That full and continued growth and development of Illinois' rural economy, especially in the small towns and farm communities, is vital for Illinois;

(d) That by encouraging the development of diversified rural business and agricultural production, nonproduction and processing activities in Illinois, the State creates a beneficial climate for new and improved job opportunities for its citizens and expands jobs and job training opportunities;

(e) That in order to cultivate strong rural economic growth and development in Illinois, it is necessary to proceed with a plan which encourages Illinois rural businesses and agribusinesses to expand business employment opportunities through diversification of business and industries, offers managerial, technical and financial assistance to or on behalf of rural businesses and agribusiness, and works in a cooperative venture and spirit with Illinois' business, labor, local government, educational and scientific communities;

(f) That dedication of State resources over a multi-year period targeted to promoting the growth and development of one or more classes of diversified rural products, particularly new agricultural products, is an effective use of State funds;

(g) That the United States Congress, having identified similar needs and purposes has enacted legislation creating the United States Department of Agriculture/Farmers Home Administration Non-profit National Finance Corporations Loan and Grant Program and made funding available to the states consistent with the purposes of this Act.

(h) That the Illinois General Assembly has enacted "Rural Revival" and a series of "Harvest the Heartland" initiatives which create within the Illinois Finance Farm Development Authority a "Seed Capital Fund" to provide venture capital for emerging new agribusinesses, and to help coordinate cooperative research and development on new agriculture technologies in conjunction with the Agricultural Research and Development Consortium in Peoria, the United State Department of Agriculture Northern Regional Research Laboratory in Peoria, the institutions of higher learning in Illinois, and the agribusiness community of this State, identify the need for enhanced efforts by the State to promote the use of fuels utilizing ethanol made from Illinois grain, and promote forestry development in this State; and

(i) That there is a need to coordinate the many programs offered by the State of Illinois Departments of Agriculture, Commerce and Community Affairs, and Natural Resources, and the Illinois Finance Farm--Development Authority that are targeted to agriculture and the rural community with those offered by the federal government. Therefore it is desirable that the fullest measure of coordination and integration of the programs offered by the various state agencies and the federal government be achieved.

(Source: P.A. 89-445, eff. 2-7-96.)

(20 ILCS 690/3) (from Ch. 5, par. 2253)

Sec. 3. Definitions. The following words and phrases shall have the meaning ascribed to each of them in this Section unless the context clearly indicates otherwise:

(a) "Office" means the Office of Rural Community Development within the Illinois Department of Commerce and Community Affairs.

(b) "Rural business" means a business, including a cooperative, proprietorship, partnership, corporation or

other entity, that is located in a municipality of 20,000 population or less, or in an unincorporated area of a county with a population of less than 350,000, but not in a municipality which is contiguous to a municipality or municipalities with a population greater than 20,000. The business must also be engaged in manufacturing, mining, agriculture, wholesale, transportation, tourism, or utilities or in research and development or services to these basic industrial sectors.

(c) "Agribusiness", for purpose of this Act, means a rural business that is defined as an agribusiness pursuant to ~~subsection (i) of Section 2 of~~ the Illinois Finance Authority Farm-Development Act.

(d) "Rural diversification project" means financing to a rural business for a specific activity undertaken to promote: (i) the improvement and expansion of business and industry in rural areas; (ii) creation of entrepreneurial and self-employment businesses; (iii) industry or region wide research directed to profit oriented uses of rural resources, and (iv) value added agricultural supply, production processing or reprocessing facilities or operations and shall include but not be limited to agricultural diversification projects.

(e) "Financing" means direct loans at market or below market rate interest, grants, technical assistance contracts, or other means whereby monetary assistance is provided to or on behalf of rural business or agribusinesses for purposes of rural diversification.

(f) "Agricultural diversification project" means financing awarded to a rural business for a specific activity undertaken to promote diversification of the farm economy of this State through (i) profit oriented nonproduction uses of Illinois land resources, (ii) growth and development of new crops or livestock not customarily grown or produced in this

State, or (iii) developments which emphasize a vertical integration of grain or livestock produced or raised in this State into a finished product for consumption or use. "New crops or livestock not customarily grown or produced in this State" does not include corn, soybeans, wheat, swine, or beef or dairy cattle. "Vertical integration of grain or livestock produced or raised in this State" includes any new or existing grain or livestock grown or produced in this State.

(Source: P.A. 85-180.)

(20 ILCS 690/4) (from Ch. 5, par. 2254)

Sec. 4. Powers of the Office. The Office has the following powers, in addition to those granted to it by other law:

(a) To provide financing pursuant to the provisions of this Act, from appropriations made by the General Assembly from the General Revenue Fund, Federal trust funds, and the Rural Diversification Revolving Fund created herein, to or on behalf of rural business and agribusiness to promote rural diversification.

(b) To provide financing in the form of direct loans and grants from State funds for qualifying agricultural and rural diversification projects independent of federal financial participation, except that no grants from State funds shall be made directly with a rural business.

(c) To provide financing in the form of direct loans, grants, and technical assistance contracts from State funds for qualifying agricultural and rural diversification projects in coordination with federal financial participation in the form of loan guarantees, direct loans, and grant and technical assistance contract reimbursements.

(d) To consider in the award of State funded financing the satisfaction of matching requirements associated with federal financing participation and the maximization of

federal financing participation to the benefit of the rural Illinois economy.

(e) To enter into agreements or contracts, accept funds or grants, and cooperate with agencies of the Federal Government, State or Local Governments, the private sector or non-profit organizations to carry out the purposes of this Act;

(f) To enter into agreements or contracts for the promotion, application origination, analysis or servicing of the financings made by the Office pursuant to this Act;

(g) To receive and accept, from any source, aid or contributions of money, property or labor for the furtherance of this Act and collect fees, charges or advances as the Department may determine in connection with its financing;

(h) To establish application, notification, contract and other procedures and other procedures and rules deemed necessary and appropriate by the Office to carry out the provisions of this Act;

(i) To foreclose any mortgage, deed of trust, note, debenture, bond or other security interest held by the Office and to take all such actions as may be necessary to enforce any obligation held by the Office;

(j) To analyze opportunities and needs of rural communities, primarily those communities experiencing farm worker distress including consultation with regional commissions, governments, or diversification organizations, and work to strengthen the coordination of existing programs offered through the Office, the Department of Agriculture, the Department of Natural Resources, the Illinois Finance Farm-Development Authority, the Cooperative Extension Service and others for rural and agribusiness development and assistance; and

(k) To cooperate with an existing committee comprised of representatives from the Office, the Rural Affairs Council or

its successor, the Department of Agriculture, the Illinois Finance Farm-Development Authority and others to coordinate departmental policies with other State agencies and to promote agricultural and rural diversification in the State.

(1) To exercise such other right, powers and duties as are necessary to fulfill the purposes of this Act.

(Source: P.A. 89-445, eff. 2-7-96.)

(20 ILCS 690/5) (from Ch. 5, par. 2255)

Sec. 5. Agricultural and rural diversification financing. (a) The Office's financing to or on behalf of rural businesses or agribusinesses in the State shall be for the purpose of assisting in the cost of agricultural and rural diversification projects including (i) acquisition, construction, reconstruction, replacement, repair, rehabilitation, alteration, expansion or extension of real property, buildings or machinery and equipment but not the acquisition of unimproved land for the production of crops or livestock; (ii) working capital items including but not limited to, inventory, accounts receivable and prepaid expenses; (iii) organizational expenses including, but not limited to, architectural and engineering costs, legal services, marketing analyses, production analyses, or other professional services; (iv) needed leasehold improvements, easements, and other amenities required to prepare a site; (v) information, technical support and technical assistance contracts to local officials or not-for-profit agencies regarding private, state and federal resources, programs or grant assistances and the needs and opportunities for diversification; and (vi) when conducted in cooperation with federal reimbursement programs, financing costs including guarantee fees, packaging fees and origination fees but not debt refinancing.

(b) Agricultural or rural diversification financing to a

rural business or agribusiness under this Act shall be used only where it can be shown that the agricultural or rural diversification project for which financing is being sought has the potential to achieve commercial success and will increase employment, directly or indirectly retain jobs, or promote local diversification.

(c) The Office shall establish an internal review committee with the Director of the Rural Affairs Council, or his designee, the Director of the Department of Agriculture, or his designee, and the Director of the Illinois Finance Farm--Development Authority, or his designee, as members to assist in the review of all project applications.

(d) The Office shall not provide financing to a rural business or agribusiness unless the application includes convincing evidence that a specific agricultural or rural diversification project is ready to occur and will only occur if the financing is made. The Office shall also consider the applicability of other state and federal programs prior to financing any project.

(Source: P.A. 85-180.)

Section 890-33. The Emergency Farm Credit Allocation Act is amended by changing Sections 3 and 4 as follows:

(20 ILCS 3610/3) (from Ch. 5, par. 1253)

Sec. 3. As used in this Act unless the context otherwise requires:

(a) "Applicant" means an Illinois farmer applying for an operating loan.

(b) "Operating loan" means a loan to an applicant in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, feeding and management of livestock or poultry on a farm of which the applicant is the

owner, tenant, or operator, for the current year's operating expenses.

(c) "Lender" means any federal or State chartered bank, federal land bank, production credit association, bank for cooperatives, federal or State chartered savings and loan association or building and loan association, business investment company or any other institution qualified within this State to originate and service loans, including, but without limitation to, insurance companies, credit unions and mortgage loan companies.

(d) "Payment adjustment" means an amount of money equal to one-half of the total interest payable on the principal of the operating loan.

(e) "Authority" means the Illinois Finance Farm Development Authority.

(f) "Asset" shall include, but not be limited to the following: cash crops or feed on hand; livestock held for sale; breeding stock; marketable bonds and securities; securities not readily marketable; accounts receivable; notes receivable; cash invested in growing crops; net cash value of life insurance; machinery and equipment; cars and trucks; farm and other real estate including life estates and personal residence; value of beneficial interests in trusts; government payments or grants; and any other assets.

(g) "Liability" shall include, but not be limited to the following: accounts payable; notes or other indebtedness owed to any source; taxes; rent; amounts owed on real estate contracts or real estate mortgages; judgments; accrued interest payable; and any other liability.

(h) "Debt to asset ratio" means the current outstanding liabilities of the farmer divided by the current outstanding assets of the farmer.

(Source: P.A. 84-1; 84-1106.)

(20 ILCS 3610/4) (from Ch. 5, par. 1254)

Sec. 4. There is hereby created a payment adjustment program to be administered by the Illinois Finance Farm Development Authority. The Authority shall have the authority to promulgate and adopt rules and regulations which are consistent with this Act. The Authority may impose a minimal fee to cover the costs of administering the program. On or before May 1 of each of the next six years, or until all repayments have been received on payment adjustments, the Authority shall submit a report to the General Assembly and the Governor concerning the status of the payment adjustment program. The Authority shall grant no payment adjustments after June 15, 1986.

(Source: P.A. 84-1; 84-1106.)

Section 890-34. The Build Illinois Act is amended by changing Section 8-3 as follows:

(30 ILCS 750/8-3) (from Ch. 127, par. 2708-3)

Sec. 8-3. Powers of the Department. The Department has the power to:

(a) provide business development public infrastructure loans or grants from appropriations from the Build Illinois Bond Fund, the Build Illinois Purposes Fund, the Fund for Illinois' Future, and the Public Infrastructure Construction Loan Fund to local governments to provide or improve a community's public infrastructure so as to create or retain private sector jobs pursuant to the provisions of this Article;

(b) provide affordable financing of public infrastructure loans and grants to, or on behalf of, local governments, local public entities, medical facilities, and public health clinics from appropriations from the Public Infrastructure Construction Loan Fund for the purpose of

assisting with the financing, or application and access to financing, of a community's public infrastructure necessary to health, safety, and economic development;

(c) enter into agreements, accept funds or grants, and engage in cooperation with agencies of the federal government, or state or local governments to carry out the purposes of this Article, and to use funds appropriated pursuant to this Article to participate in federal infrastructure loan and grant programs upon such terms and conditions as may be established by the federal government;

(d) establish application, notification, contract, and other procedures, rules, or regulations deemed necessary and appropriate to carry out the provisions of this Article;

(e) coordinate assistance under this program with activities of the Illinois Development Finance Authority in order to maximize the effectiveness and efficiency of State development programs;

(f) coordinate assistance under the Affordable Financing of Public Infrastructure Loan and Grant Program with the activities of the Illinois Development Finance Authority, Illinois Rural Bond Bank, Illinois Finance Farm-Development Authority, Illinois Housing Development Authority, Illinois Environmental Protection Agency, and other federal and State programs and entities providing financing assistance to communities for public health, safety, and economic development infrastructure;

(f-5) provide staff, administration, and related support required to manage the programs authorized under this Article and pay for the staffing, administration, and related support from the Public Infrastructure Construction Loan Revolving Fund;

(g) exercise such other powers as are necessary or incidental to the foregoing.

(Source: P.A. 90-454, eff. 8-16-97; 91-34, eff. 7-1-99.)

Section 890-35. The Livestock Management Facilities Act is amended by changing Section 17 as follows:

(510 ILCS 77/17)

Sec. 17. Financial responsibility. Owners of new or modified lagoons registered under the provisions of this Act shall establish and maintain evidence of financial responsibility to provide for the closure of the lagoons and the proper disposal of their contents within the time provisions outlined in this Act. Financial responsibility may be evidenced by any combination of the following:

- (1) Commercial or private insurance;
- (2) Guarantee;
- (3) Surety bond;
- (4) Letter of credit;
- (5) Certificate of Deposit or designated savings account;
- (6) Participation in a livestock waste lagoon closure fund managed by the Illinois Finance Farm--Development Authority.

The level of surety required shall be determined by rule and be based upon the volumetric capacity of the lagoon. Surety instruments required under this Section shall be required after the effective date of rules adopted for the implementation of this Act.

(Source: P.A. 89-456, eff. 5-21-96; 90-565, eff. 6-1-98.)

Section 890-36. The Illinois Forestry Development Act is amended by changing Sections 4 and 6a as follows:

(525 ILCS 15/4) (from Ch. 96 1/2, par. 9104)

Sec. 4. The Department shall: (a) Implement the forestry development cost share program created by Section 5 of this Act and coordinate with the United States Department of

Agriculture - Soil Conservation Service and the Agricultural Stabilization and Conservation Service in the administration of such program.

(b) Approve acceptable forestry management plans as required by Section 5 of this Act.

(c) Provide assistance to the Illinois Council on Forestry Development.

(d) Promote the development of an active forestry industry in this State by providing information to timber growers relating to acceptable management practices, suitability of various kinds of timber to various land types, marketability of various types of timber, market strategies including marketing cooperatives, availability of State and federal government assistance, soil and water conservation benefits, and wildlife habitat enhancement opportunities.

(e) Provide any aid or information requested by the Illinois Finance Farm--Development Authority in relation to forestry industry assistance programs implemented under the "Illinois Finance Authority Farm-Development Act".

(Source: P.A. 86-779.)

(525 ILCS 15/6a) (from Ch. 96 1/2, par. 9106a)

(Section scheduled to be repealed on December 31, 2008)

Sec. 6a. Illinois Forestry Development Council.

(a) The Illinois Forestry Development Council is hereby re-created by this amendatory Act of the 91st General Assembly.

(b) The Council shall consist of 24 members appointed as follows:

(1) four members of the General Assembly, one appointed by the President of the Senate, one appointed by the Senate Minority Leader, one appointed by the Speaker of the House of Representatives, and one appointed by the House Minority Leader;

(2) one member appointed by the Governor to represent the Governor;

(3) the Directors of the Departments of Natural Resources, Agriculture, and Commerce and Community Affairs, the Executive Director of the Illinois Finance Farm--Development Authority, and the Director of the Office of Rural Affairs, or their designees;

(4) the chairman of the Department of Forestry or a forestry academician, appointed by the Dean of Agriculture at Southern Illinois University at Carbondale;

(5) the head of the Department of Natural Resources and Environmental Sciences or a forestry academician, appointed by the Dean of Agriculture at the University of Illinois;

(6) two members, appointed by the Governor, who shall be private timber growers;

(7) one member, appointed by the president of the Illinois Wood Products Association, who shall be involved in primary forestry industry;

(8) one member, appointed by the president of the Illinois Wood Products Association, who shall be involved in secondary forestry industry;

(9) one member who is actively involved in environmental issues, appointed by the Governor;

(10) the president of the Association of Illinois Soil and Water Conservation Districts;

(11) two persons who are actively engaged in farming, appointed by the Governor;

(12) one member, appointed by the Governor, whose primary area of expertise is urban forestry;

(13) one member appointed by the President of the Illinois Arborists Association;

(14) the Supervisor of the Shawnee National Forest

and the United States Department of Agriculture Natural Resource Conservation Service's State Conservationist, ex officio, or their designees.

(c) Members of the Council shall serve without compensation but shall be reimbursed for actual expenses incurred in the performance of their duties which are not otherwise reimbursed.

(d) The Council shall select from its membership a chairperson and such other officers as it considers necessary.

(e) Other individuals, agencies and organizations may be invited to participate as deemed advisable by the Council.

(f) The Council shall study and evaluate the forestry resources and forestry industry of Illinois. The Council shall:

(1) determine the magnitude, nature and extent of the State's forestry resources;

(2) determine current uses and project future demand for forest products, services and benefits in Illinois;

(3) determine and evaluate the ownership characteristics of the State's forests, the motives for forest ownership and the success of incentives necessary to stimulate development of forest resources;

(4) determine the economic development and management opportunities that could result from improvements in local and regional forest product marketing and from the establishment of new or additional wood-related businesses in Illinois;

(5) confer with and offer assistance to the Illinois Finance Farm-Development Authority relating to its implementation of forest industry assistance programs authorized by the Illinois Finance Authority Farm Development Act;

(6) determine the opportunities for increasing employment and economic growth through development of forest resources;

(7) determine the effect of current governmental policies and regulations on the management of woodlands and the location of wood products markets;

(8) determine the staffing and funding needs for forestry and other conservation programs to support and enhance forest resources development;

(9) determine the needs of forestry education programs in this State;

(10) confer with and offer assistance to the Department of Natural Resources relating to the implementation of urban forestry assistance grants pursuant to the Urban and Community Forestry Assistance Act; and

(11) determine soil and water conservation benefits and wildlife habitat enhancement opportunities that can be promoted through approved forestry management plans.

(g) The Council shall report (i) its findings and recommendations for future State action and (ii) its evaluation of Urban/Community Forestry Assistance Grants to the General Assembly no later than July 1 of each year.

(h) This Section 6a is repealed December 31, 2008.

(Source: P.A. 90-809, eff. 12-31-98; 91-157, eff. 7-16-99.)

Section 890-37. The Public Funds Investment Act is amended by changing Section 6 as follows:

(30 ILCS 235/6) (from Ch. 85, par. 906)

Sec. 6. Report of financial institutions.

(a) No bank shall receive any public funds unless it has furnished the corporate authorities of a public agency submitting a deposit with copies of the last two sworn

statements of resources and liabilities which the bank is required to furnish to the Commissioner of Banks and Real Estate or to the Comptroller of the Currency. Each bank designated as a depository for public funds shall, while acting as such depository, furnish the corporate authorities of a public agency with a copy of all statements of resources and liabilities which it is required to furnish to the Commissioner of Banks and Real Estate or to the Comptroller of the Currency; provided, that if such funds or moneys are deposited in a bank, the amount of all such deposits not collateralized or insured by an agency of the federal government shall not exceed 75% of the capital stock and surplus of such bank, and the corporate authorities of a public agency submitting a deposit shall not be discharged from responsibility for any funds or moneys deposited in any bank in excess of such limitation.

(b) No savings bank or savings and loan association shall receive public funds unless it has furnished the corporate authorities of a public agency submitting a deposit with copies of the last 2 sworn statements of resources and liabilities which the savings bank or savings and loan association is required to furnish to the Commissioner of Banks and Real Estate or the Federal Deposit Insurance Corporation. Each savings bank or savings and loan association designated as a depository for public funds shall, while acting as such depository, furnish the corporate authorities of a public agency with a copy of all statements of resources and liabilities which it is required to furnish to the Commissioner of Banks and Real Estate or the Federal Deposit Insurance Corporation; provided, that if such funds or moneys are deposited in a savings bank or savings and loan association, the amount of all such deposits not collateralized or insured by an agency of the federal government shall not exceed 75% of the net worth of such

savings bank or savings and loan association as defined by the Federal Deposit Insurance Corporation, and the corporate authorities of a public agency submitting a deposit shall not be discharged from responsibility for any funds or moneys deposited in any savings bank or savings and loan association in excess of such limitation.

(c) No credit union shall receive public funds unless it has furnished the corporate authorities of a public agency submitting a share deposit with copies of the last two reports of examination prepared by or submitted to the Illinois Department of Financial Institutions or the National Credit Union Administration. Each credit union designated as a depository for public funds shall, while acting as such depository, furnish the corporate authorities of a public agency with a copy of all reports of examination prepared by or furnished to the Illinois Department of Financial Institutions or the National Credit Union Administration; provided that if such funds or moneys are invested in a credit union account, the amount of all such investments not collateralized or insured by an agency of the federal government or other approved share insurer shall not exceed 50% of the unimpaired capital and surplus of such credit union, which shall include shares, reserves and undivided earnings and the corporate authorities of a public agency making an investment shall not be discharged from responsibility for any funds or moneys invested in a credit union in excess of such limitation.

(d) Whenever a public agency deposits any public funds in a financial institution, the public agency may enter into an agreement with the financial institution requiring any funds not insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration or other approved share insurer to be collateralized by securities, mortgages, letters of credit issued by a Federal

Home Loan Bank, or loans covered by a State Guaranty under the Illinois Finance Authority Farm-Development Act in an amount equal to at least market value of that amount of funds deposited exceeding the insurance limitation provided by the Federal Deposit Insurance Corporation or the National Credit Union Administration or other approved share insurer.

(e) Paragraphs (a), (b), (c), and (d) of this Section do not apply to the University of Illinois, Southern Illinois University, Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Western Illinois University, the Cooperative Computer Center and public community colleges.

(Source: P.A. 91-324, eff. 1-1-00; 91-773, eff. 6-9-00.)

Section 890-38. The Children and Family Services Act is amended by changing Section 22.4 as follows:

(20 ILCS 505/22.4) (from Ch. 23, par. 5022.4)

Sec. 22.4. Low-interest loans for child care facilities; Department of Human Services. The Department of Human Services may establish, with financing to be provided through the issuance of bonds by the Illinois Finance Health Facilities Authority pursuant to the Illinois Finance Health Facilities Authority Act, ~~as--now--or--hereafter--amended,~~ a low-interest loan program to help child care centers and family day care homes accomplish the following:

(a) establish a child care program;

(b) meet federal, State and local child care standards as well as any applicable health and safety standards; or

(c) build facilities or renovate or expand existing facilities.

Such loans shall be available only to child care centers

and family day care homes serving children of low income families.

(Source: P.A. 89-507, eff. 7-1-97.)

Section 890-39. The Energy Conservation and Coal Development Act is amended by changing Section 15 as follows:

(20 ILCS 1105/15) (from Ch. 96 1/2, par. 7415)

Sec. 15. (a) The Department, in cooperation with the Illinois Development Finance Authority, shall establish a program to assist units of local government, as defined in the Illinois Development Finance Authority Act, to identify and arrange financing for energy conservation projects for buildings and facilities owned or leased by those units of local government.

(b) The Department, in cooperation with the Illinois Finance Health--Facilities Authority, shall establish a program to assist health facilities to identify and arrange financing for energy conservation projects for buildings and facilities owned or leased by those health facilities.

(Source: P.A. 87-852; 88-45.)

Section 890-40. The Illinois Public Aid Code is amended by changing Sections 11-3 and 11-3.3 as follows:

(305 ILCS 5/11-3) (from Ch. 23, par. 11-3)

Sec. 11-3. Assignment and attachment of aid prohibited. Except as provided below in this Section and in Section 11-3.3, all financial aid given under Articles III, IV, V, and VI and money payments for child care services provided by a child care provider under Articles IX and IXA shall not be subject to assignment, sale, attachment, garnishment, or otherwise. Provided, however, that a medical vendor may use his right to receive vendor payments as collateral for loans

from financial institutions so long as such arrangements do not constitute any activity prohibited under Section 1902(a)(32) of the Social Security Act and regulations promulgated thereunder, or any other applicable laws or regulations. Provided further, however, that a medical or other vendor or a service provider may assign, reassign, sell, pledge or grant a security interest in any such financial aid, vendor payments or money payments or grants which he has a right to receive to the Illinois Finance Health-Facilities Authority, in connection with any financing program undertaken by the Illinois Finance Health-Facilities Authority, or to the Illinois Development Finance Authority, in connection with any financing program undertaken by the Illinois Development Finance Authority. Each Authority may utilize a trustee or agent to accept, accomplish, effectuate or realize upon any such assignment, reassignment, sale, pledge or grant on that Authority's behalf. Provided further, however, that nothing herein shall prevent the Illinois Department from collecting any assessment, fee, interest or penalty due under Article V-A, V-B, V-C, or V-E by withholding financial aid as payment of such assessment, fee, interest, or penalty. Any alienation in contravention of this statute does not diminish and does not affect the validity, legality or enforceability of any underlying obligations for which such alienation may have been made as collateral between the parties to the alienation. This amendatory Act shall be retroactive in application and shall pertain to obligations existing prior to its enactment.

(Source: P.A. 92-111, eff. 1-1-02.)

(305 ILCS 5/11-3.3) (from Ch. 23, par. 11-3.3)

Sec. 11-3.3. Payment to provider or governmental agency or entity. Payments under this Code shall be made to the provider, except that the Department may issue or may agree

to issue the payment directly to the Illinois Finance Health Facilities Authority, the Illinois Development Finance Authority, or any other governmental agency or entity, including any bond trustee for that agency or entity, to whom the provider has assigned, reassigned, sold, pledged or granted a security interest in the payments that the provider has a right to receive, provided that the issuance or agreement to issue is not prohibited under Section 1902(a)(32) of the Social Security Act.

(Source: P.A. 87-842.)

Section 890-41. The AIDS Confidentiality Act is amended by changing Section 3 as follows:

(410 ILCS 305/3) (from Ch. 111 1/2, par. 7303)

Sec. 3. When used in this Act:

(a) "Department" means the Illinois Department of Public Health.

(b) "AIDS" means acquired immunodeficiency syndrome.

(c) "HIV" means the Human Immunodeficiency Virus or any other identified causative agent of AIDS.

(d) "Written informed consent" means an agreement in writing executed by the subject of a test or the subject's legally authorized representative without undue inducement or any element of force, fraud, deceit, duress or other form of constraint or coercion, which entails at least the following:

(1) a fair explanation of the test, including its purpose, potential uses, limitations and the meaning of its results; and

(2) a fair explanation of the procedures to be followed, including the voluntary nature of the test, the right to withdraw consent to the testing process at any time, the right to anonymity to the extent provided by law with respect to participation in the test and disclosure of test results,

and the right to confidential treatment of information identifying the subject of the test and the results of the test, to the extent provided by law.

(e) "Health facility" means a hospital, nursing home, blood bank, blood center, sperm bank, or other health care institution, including any "health facility" as that term is defined in the Illinois Finance Health--Facilities Authority Act.

(f) "Health care provider" means any physician, nurse, paramedic, psychologist or other person providing medical, nursing, psychological, or other health care services of any kind.

(g) "Test" or "HIV test" means a test to determine the presence of the antibody or antigen to HIV, or of HIV infection.

(h) "Person" includes any natural person, partnership, association, joint venture, trust, governmental entity, public or private corporation, health facility or other legal entity.

(Source: P.A. 85-677; 85-679.)

Section 890-42. The State Employees Group Insurance Act of 1971 is amended by changing Section 3 as follows:

(5 ILCS 375/3) (from Ch. 127, par. 523)

Sec. 3. Definitions. Unless the context otherwise requires, the following words and phrases as used in this Act shall have the following meanings. The Department may define these and other words and phrases separately for the purpose of implementing specific programs providing benefits under this Act.

(a) "Administrative service organization" means any person, firm or corporation experienced in the handling of claims which is fully qualified, financially sound and

capable of meeting the service requirements of a contract of administration executed with the Department.

(b) "Annuitant" means (1) an employee who retires, or has retired, on or after January 1, 1966 on an immediate annuity under the provisions of Articles 2, 14, 15 (including an employee who has retired under the optional retirement program established under Section 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of the Illinois Pension Code; (2) any person who was receiving group insurance coverage under this Act as of March 31, 1978 by reason of his status as an annuitant, even though the annuity in relation to which such coverage was provided is a proportional annuity based on less than the minimum period of service required for a retirement annuity in the system involved; (3) any person not otherwise covered by this Act who has retired as a participating member under Article 2 of the Illinois Pension Code but is ineligible for the retirement annuity under Section 2-119 of the Illinois Pension Code; (4) the spouse of any person who is receiving a retirement annuity under Article 18 of the Illinois Pension Code and who is covered under a group health insurance program sponsored by a governmental employer other than the State of Illinois and who has irrevocably elected to waive his or her coverage under this Act and to have his or her spouse considered as the "annuitant" under this Act and not as a "dependent"; or (5) an employee who retires, or has retired, from a qualified position, as determined according to rules promulgated by the Director, under a qualified local government or a qualified rehabilitation facility or a qualified domestic violence shelter or service. (For definition of "retired employee", see (p) post).

(b-5) "New SERS annuitant" means a person who, on or after January 1, 1998, becomes an annuitant, as defined in subsection (b), by virtue of beginning to receive a

retirement annuity under Article 14 of the Illinois Pension Code, and is eligible to participate in the basic program of group health benefits provided for annuitants under this Act.

(b-6) "New SURS annuitant" means a person who (1) on or after January 1, 1998, becomes an annuitant, as defined in subsection (b), by virtue of beginning to receive a retirement annuity under Article 15 of the Illinois Pension Code, (2) has not made the election authorized under Section 15-135.1 of the Illinois Pension Code, and (3) is eligible to participate in the basic program of group health benefits provided for annuitants under this Act.

(b-7) "New TRS State annuitant" means a person who, on or after July 1, 1998, becomes an annuitant, as defined in subsection (b), by virtue of beginning to receive a retirement annuity under Article 16 of the Illinois Pension Code based on service as a teacher as defined in paragraph (2), (3), or (5) of Section 16-106 of that Code, and is eligible to participate in the basic program of group health benefits provided for annuitants under this Act.

(c) "Carrier" means (1) an insurance company, a corporation organized under the Limited Health Service Organization Act or the Voluntary Health Services Plan Act, a partnership, or other nongovernmental organization, which is authorized to do group life or group health insurance business in Illinois, or (2) the State of Illinois as a self-insurer.

(d) "Compensation" means salary or wages payable on a regular payroll by the State Treasurer on a warrant of the State Comptroller out of any State, trust or federal fund, or by the Governor of the State through a disbursing officer of the State out of a trust or out of federal funds, or by any Department out of State, trust, federal or other funds held by the State Treasurer or the Department, to any person for personal services currently performed, and ordinary or

accidental disability benefits under Articles 2, 14, 15 (including ordinary or accidental disability benefits under the optional retirement program established under Section 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of the Illinois Pension Code, for disability incurred after January 1, 1966, or benefits payable under the Workers' Compensation or Occupational Diseases Act or benefits payable under a sick pay plan established in accordance with Section 36 of the State Finance Act. "Compensation" also means salary or wages paid to an employee of any qualified local government or qualified rehabilitation facility or a qualified domestic violence shelter or service.

(e) "Commission" means the State Employees Group Insurance Advisory Commission authorized by this Act. Commencing July 1, 1984, "Commission" as used in this Act means the Illinois Economic and Fiscal Commission as established by the Legislative Commission Reorganization Act of 1984.

(f) "Contributory", when referred to as contributory coverage, shall mean optional coverages or benefits elected by the member toward the cost of which such member makes contribution, or which are funded in whole or in part through the acceptance of a reduction in earnings or the foregoing of an increase in earnings by an employee, as distinguished from noncontributory coverage or benefits which are paid entirely by the State of Illinois without reduction of the member's salary.

(g) "Department" means any department, institution, board, commission, officer, court or any agency of the State government receiving appropriations and having power to certify payrolls to the Comptroller authorizing payments of salary and wages against such appropriations as are made by the General Assembly from any State fund, or against trust funds held by the State Treasurer and includes boards of

trustees of the retirement systems created by Articles 2, 14, 15, 16 and 18 of the Illinois Pension Code. "Department" also includes the Illinois Comprehensive Health Insurance Board, the Board of Examiners established under the Illinois Public Accounting Act, and the Illinois Finance Authority Rural-Bond-Bank.

(h) "Dependent", when the term is used in the context of the health and life plan, means a member's spouse and any unmarried child (1) from birth to age 19 including an adopted child, a child who lives with the member from the time of the filing of a petition for adoption until entry of an order of adoption, a stepchild or recognized child who lives with the member in a parent-child relationship, or a child who lives with the member if such member is a court appointed guardian of the child, or (2) age 19 to 23 enrolled as a full-time student in any accredited school, financially dependent upon the member, and eligible to be claimed as a dependent for income tax purposes, or (3) age 19 or over who is mentally or physically handicapped. For the health plan only, the term "dependent" also includes any person enrolled prior to the effective date of this Section who is dependent upon the member to the extent that the member may claim such person as a dependent for income tax deduction purposes; no other such person may be enrolled. For the health plan only, the term "dependent" also includes any person who has received after June 30, 2000 an organ transplant and who is financially dependent upon the member and eligible to be claimed as a dependent for income tax purposes.

(i) "Director" means the Director of the Illinois Department of Central Management Services.

(j) "Eligibility period" means the period of time a member has to elect enrollment in programs or to select benefits without regard to age, sex or health.

(k) "Employee" means and includes each officer or

employee in the service of a department who (1) receives his compensation for service rendered to the department on a warrant issued pursuant to a payroll certified by a department or on a warrant or check issued and drawn by a department upon a trust, federal or other fund or on a warrant issued pursuant to a payroll certified by an elected or duly appointed officer of the State or who receives payment of the performance of personal services on a warrant issued pursuant to a payroll certified by a Department and drawn by the Comptroller upon the State Treasurer against appropriations made by the General Assembly from any fund or against trust funds held by the State Treasurer, and (2) is employed full-time or part-time in a position normally requiring actual performance of duty during not less than 1/2 of a normal work period, as established by the Director in cooperation with each department, except that persons elected by popular vote will be considered employees during the entire term for which they are elected regardless of hours devoted to the service of the State, and (3) except that "employee" does not include any person who is not eligible by reason of such person's employment to participate in one of the State retirement systems under Articles 2, 14, 15 (either the regular Article 15 system or the optional retirement program established under Section 15-158.2) or 18, or under paragraph (2), (3), or (5) of Section 16-106, of the Illinois Pension Code, but such term does include persons who are employed during the 6 month qualifying period under Article 14 of the Illinois Pension Code. Such term also includes any person who (1) after January 1, 1966, is receiving ordinary or accidental disability benefits under Articles 2, 14, 15 (including ordinary or accidental disability benefits under the optional retirement program established under Section 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of the Illinois Pension Code, for disability

incurred after January 1, 1966, (2) receives total permanent or total temporary disability under the Workers' Compensation Act or Occupational Disease Act as a result of injuries sustained or illness contracted in the course of employment with the State of Illinois, or (3) is not otherwise covered under this Act and has retired as a participating member under Article 2 of the Illinois Pension Code but is ineligible for the retirement annuity under Section 2-119 of the Illinois Pension Code. However, a person who satisfies the criteria of the foregoing definition of "employee" except that such person is made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code is also an "employee" for the purposes of this Act. "Employee" also includes any person receiving or eligible for benefits under a sick pay plan established in accordance with Section 36 of the State Finance Act. "Employee" also includes each officer or employee in the service of a qualified local government, including persons appointed as trustees of sanitary districts regardless of hours devoted to the service of the sanitary district, and each employee in the service of a qualified rehabilitation facility and each full-time employee in the service of a qualified domestic violence shelter or service, as determined according to rules promulgated by the Director.

(l) "Member" means an employee, annuitant, retired employee or survivor.

(m) "Optional coverages or benefits" means those coverages or benefits available to the member on his or her voluntary election, and at his or her own expense.

(n) "Program" means the group life insurance, health benefits and other employee benefits designed and contracted for by the Director under this Act.

(o) "Health plan" means a health benefits program

offered by the State of Illinois for persons eligible for the plan.

(p) "Retired employee" means any person who would be an annuitant as that term is defined herein but for the fact that such person retired prior to January 1, 1966. Such term also includes any person formerly employed by the University of Illinois in the Cooperative Extension Service who would be an annuitant but for the fact that such person was made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code.

(q) "Survivor" means a person receiving an annuity as a survivor of an employee or of an annuitant. "Survivor" also includes: (1) the surviving dependent of a person who satisfies the definition of "employee" except that such person is made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code; and (2) the surviving dependent of any person formerly employed by the University of Illinois in the Cooperative Extension Service who would be an annuitant except for the fact that such person was made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code.

(q-5) "New SERS survivor" means a survivor, as defined in subsection (q), whose annuity is paid under Article 14 of the Illinois Pension Code and is based on the death of (i) an employee whose death occurs on or after January 1, 1998, or (ii) a new SERS annuitant as defined in subsection (b-5).

(q-6) "New SURS survivor" means a survivor, as defined in subsection (q), whose annuity is paid under Article 15 of the Illinois Pension Code and is based on the death of (i) an employee whose death occurs on or after January 1, 1998, or (ii) a new SURS annuitant as defined in subsection (b-6).

(q-7) "New TRS State survivor" means a survivor, as defined in subsection (q), whose annuity is paid under Article 16 of the Illinois Pension Code and is based on the death of (i) an employee who is a teacher as defined in paragraph (2), (3), or (5) of Section 16-106 of that Code and whose death occurs on or after July 1, 1998, or (ii) a new TRS State annuitant as defined in subsection (b-7).

(r) "Medical services" means the services provided within the scope of their licenses by practitioners in all categories licensed under the Medical Practice Act of 1987.

(s) "Unit of local government" means any county, municipality, township, school district (including a combination of school districts under the Intergovernmental Cooperation Act), special district or other unit, designated as a unit of local government by law, which exercises limited governmental powers or powers in respect to limited governmental subjects, any not-for-profit association with a membership that primarily includes townships and township officials, that has duties that include provision of research service, dissemination of information, and other acts for the purpose of improving township government, and that is funded wholly or partly in accordance with Section 85-15 of the Township Code; any not-for-profit corporation or association, with a membership consisting primarily of municipalities, that operates its own utility system, and provides research, training, dissemination of information, or other acts to promote cooperation between and among municipalities that provide utility services and for the advancement of the goals and purposes of its membership; the Southern Illinois Collegiate Common Market, which is a consortium of higher education institutions in Southern Illinois; and the Illinois Association of Park Districts. "Qualified local government" means a unit of local government approved by the Director and participating in a program created under subsection (i) of

Section 10 of this Act.

(t) "Qualified rehabilitation facility" means any not-for-profit organization that is accredited by the Commission on Accreditation of Rehabilitation Facilities or certified by the Department of Human Services (as successor to the Department of Mental Health and Developmental Disabilities) to provide services to persons with disabilities and which receives funds from the State of Illinois for providing those services, approved by the Director and participating in a program created under subsection (j) of Section 10 of this Act.

(u) "Qualified domestic violence shelter or service" means any Illinois domestic violence shelter or service and its administrative offices funded by the Department of Human Services (as successor to the Illinois Department of Public Aid), approved by the Director and participating in a program created under subsection (k) of Section 10.

(v) "TRS benefit recipient" means a person who:

(1) is not a "member" as defined in this Section;
and

(2) is receiving a monthly benefit or retirement annuity under Article 16 of the Illinois Pension Code;
and

(3) either (i) has at least 8 years of creditable service under Article 16 of the Illinois Pension Code, or (ii) was enrolled in the health insurance program offered under that Article on January 1, 1996, or (iii) is the survivor of a benefit recipient who had at least 8 years of creditable service under Article 16 of the Illinois Pension Code or was enrolled in the health insurance program offered under that Article on the effective date of this amendatory Act of 1995, or (iv) is a recipient or survivor of a recipient of a disability benefit under Article 16 of the Illinois Pension Code.

(w) "TRS dependent beneficiary" means a person who:

(1) is not a "member" or "dependent" as defined in this Section; and

(2) is a TRS benefit recipient's: (A) spouse, (B) dependent parent who is receiving at least half of his or her support from the TRS benefit recipient, or (C) unmarried natural or adopted child who is (i) under age 19, or (ii) enrolled as a full-time student in an accredited school, financially dependent upon the TRS benefit recipient, eligible to be claimed as a dependent for income tax purposes, and either is under age 24 or was, on January 1, 1996, participating as a dependent beneficiary in the health insurance program offered under Article 16 of the Illinois Pension Code, or (iii) age 19 or over who is mentally or physically handicapped.

(x) "Military leave with pay and benefits" refers to individuals in basic training for reserves, special/advanced training, annual training, emergency call up, or activation by the President of the United States with approved pay and benefits.

(y) "Military leave without pay and benefits" refers to individuals who enlist for active duty in a regular component of the U.S. Armed Forces or other duty not specified or authorized under military leave with pay and benefits.

(z) "Community college benefit recipient" means a person who:

(1) is not a "member" as defined in this Section; and

(2) is receiving a monthly survivor's annuity or retirement annuity under Article 15 of the Illinois Pension Code; and

(3) either (i) was a full-time employee of a community college district or an association of community college boards created under the Public Community College

Act (other than an employee whose last employer under Article 15 of the Illinois Pension Code was a community college district subject to Article VII of the Public Community College Act) and was eligible to participate in a group health benefit plan as an employee during the time of employment with a community college district (other than a community college district subject to Article VII of the Public Community College Act) or an association of community college boards, or (ii) is the survivor of a person described in item (i).

(aa) "Community college dependent beneficiary" means a person who:

(1) is not a "member" or "dependent" as defined in this Section; and

(2) is a community college benefit recipient's: (A) spouse, (B) dependent parent who is receiving at least half of his or her support from the community college benefit recipient, or (C) unmarried natural or adopted child who is (i) under age 19, or (ii) enrolled as a full-time student in an accredited school, financially dependent upon the community college benefit recipient, eligible to be claimed as a dependent for income tax purposes and under age 23, or (iii) age 19 or over and mentally or physically handicapped.

(Source: P.A. 91-390, eff. 7-30-99; 91-395, eff. 7-30-99; 91-617, eff. 8-19-99; 92-16, eff. 6-28-01; 92-186, eff. 1-1-02; 92-204, eff. 8-1-01; 92-651, eff. 7-11-02.)

Section 890-43. The Build Illinois Act is amended by changing Section 8-3 as follows:

(30 ILCS 750/8-3) (from Ch. 127, par. 2708-3)

Sec. 8-3. Powers of the Department. The Department has the power to:

(a) provide business development public infrastructure loans or grants from appropriations from the Build Illinois Bond Fund, the Build Illinois Purposes Fund, the Fund for Illinois' Future, and the Public Infrastructure Construction Loan Fund to local governments to provide or improve a community's public infrastructure so as to create or retain private sector jobs pursuant to the provisions of this Article;

(b) provide affordable financing of public infrastructure loans and grants to, or on behalf of, local governments, local public entities, medical facilities, and public health clinics from appropriations from the Public Infrastructure Construction Loan Fund for the purpose of assisting with the financing, or application and access to financing, of a community's public infrastructure necessary to health, safety, and economic development;

(c) enter into agreements, accept funds or grants, and engage in cooperation with agencies of the federal government, or state or local governments to carry out the purposes of this Article, and to use funds appropriated pursuant to this Article to participate in federal infrastructure loan and grant programs upon such terms and conditions as may be established by the federal government;

(d) establish application, notification, contract, and other procedures, rules, or regulations deemed necessary and appropriate to carry out the provisions of this Article;

(e) coordinate assistance under this program with activities of the Illinois Development Finance Authority in order to maximize the effectiveness and efficiency of State development programs;

(f) coordinate assistance under the Affordable Financing of Public Infrastructure Loan and Grant Program with the activities of the Illinois Development Finance Authority, Illinois Finance Authority Rural--Bond-Bank, Illinois Farm

Development Authority, Illinois Housing Development Authority, Illinois Environmental Protection Agency, and other federal and State programs and entities providing financing assistance to communities for public health, safety, and economic development infrastructure;

(f-5) provide staff, administration, and related support required to manage the programs authorized under this Article and pay for the staffing, administration, and related support from the Public Infrastructure Construction Loan Revolving Fund;

(g) exercise such other powers as are necessary or incidental to the foregoing.

(Source: P.A. 90-454, eff. 8-16-97; 91-34, eff. 7-1-99.)

Section 890-44. The Illinois Pension Code is amended by changing Section 14-103.04 as follows:

(40 ILCS 5/14-103.04) (from Ch. 108 1/2, par. 14-103.04)

Sec. 14-103.04. Department. "Department": Any department, institution, board, commission, officer, court, or any agency of the State having power to certify payrolls to the State Comptroller authorizing payments of salary or wages against State appropriations, or against trust funds held by the State Treasurer, except those departments included under the term "employer" in the State Universities Retirement System. "Department" includes the Illinois Development Finance Authority. "Department" also includes the Illinois Comprehensive Health Insurance Board and the Illinois Finance Authority Rural-Bond-Bank.

(Source: P.A. 90-511, eff. 8-22-97.)

Section 890-90. The following Acts are repealed:

(20 ILCS 3505/Act rep.)

The Illinois Development Finance Authority Act.

(20 ILCS 3605/Act rep.)

The Illinois Farm Development Act.

(20 ILCS 3705/Act rep.)

The Illinois Health Facilities Authority Act.

(20 ILCS 3850/Act rep.)

The Illinois Research Park Authority Act.

(30 ILCS 360/Act rep.)

The Rural Bond Bank Act.

(110 ILCS 1015/Act rep.)

The Illinois Educational Facilities Authority Act.

(315 ILCS 15/Act rep.)

The Illinois Community Development Finance Corporation
Act.

ARTICLE 999

Section 999-99. Effective date. This Act takes effect
on January 1, 2004.